

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

PARIS, TUESDAY, SEPTEMBER 8, 1981

Established 1887

No. 30,654

South Africa Firm On Namibia Stand

Aides Avoid Taking Issue With Haig, But Pretoria Ignores His Optimism

By Joseph Lelyveld
South African officials say that their government's basic position on independence for South-West Africa (Namibia) has not changed, but they have avoided taking direct issue with Secretary of State Alexander M. Haig Jr.'s statement that there had been progress on the issue.

Mr. Haig said in an interview that he was confident that South Africa's stand on independence for Namibia, as a disputed territory is also called, had become more flexible in discussions with the United States and that the Pretoria administration was now prepared to accept the presence of a UN peacekeeping force in a transitional period.

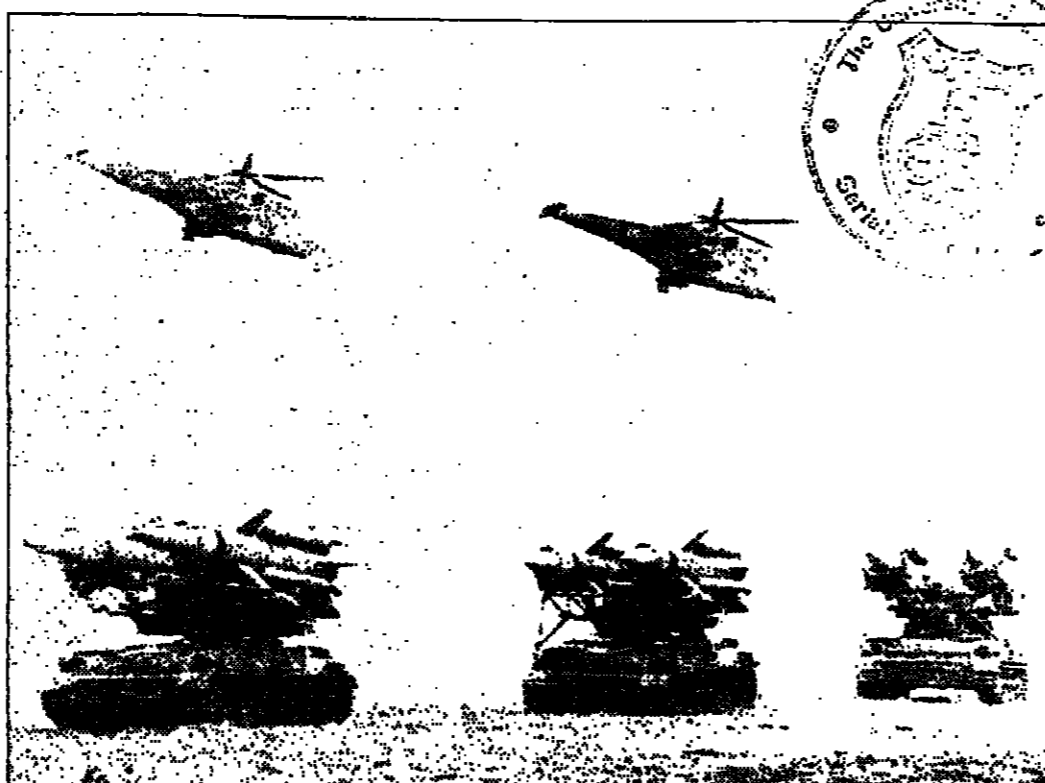
Mr. Haig's optimism has been echoed here as yet. The state radio mentioned the secretary's remarks on a weekend news program, then quickly dropped the item. It has been ignored altogether on the nightly television news, including one Sunday night that devoted 20 minutes to the situation in southern Angola and U.S. reactions to the recent South African incursion there.

A week ago, by contrast, when Mr. Haig said that the South African attack had to be seen in the context of the "bloodshed and terrorism" resulting from raids by insurgents operating from Angola, radio and television newscasts laid heavy stress on his remarks.

No Apology

Sunday night they were stressing the statement of a Defense Ministry spokesman who said there would be no apology for the strafing Saturday by South African Air Force jets of a convoy near Calueque in southern Angola in which a group of foreign and Angolan journalists were traveling. A correspondent of the British Broadcasting Corp., Mike Woodbridge, was lightly wounded by shrapnel in the attack.

In justifying the attack, the spokesman asserted South Africa's right to hit any military targets in areas where insurgents of the South-West Africa People's Organization were based. He said the in-



Soviet forces maneuver in the Baltic and Belorussian military district in photo supplied by Tass. The photo did not specify where in the military district, which adjoins Poland, the forces were.

NATO Says Russia Violates Spirit Of '75 Pact on Troop Notification

BRUSSELS — The North Atlantic Treaty Organization accused the Soviet Union on Monday of violating the spirit of the 1975 East-West accord by not reporting officially the number of troops taking part in current military maneuvers.

A NATO spokesman said permanent representatives of the 15 member countries discussed the maneuvers Monday and concluded, "the failure of the Soviet Union to provide the number of participating forces raises serious concern."

Tass has said more than 100,000 troops have been taking part in sea, air and land exercises in the western Soviet republic of Belorussia; in the Baltic military district encompassing Latvia, Lithuania and Estonia; and in the Baltic Sea.

Belgium, West Germany and the United States have made similar protests in recent days, but Monday's remarks were the first response from the alliance as a whole.

The NATO spokesman said the

Polish Union Proposes Vote on Labor Reforms

By Thomas W. Nerter
The Associated Press

GDANSK, Poland — The Solidarity trade union on Monday proposed a national referendum to get the workers' reforms it wants, and drew the ire of official media.

A proposed resolution, to be voted on Monday night or Tuesday, calls for the referendum. Some unionists said the union could call for a boycott of a government bill on worker self-management to be considered later this month by parliament.

The 892 delegates, holding Solidarity's first national congress since the independent union emerged from shipyard strikes in Gdansk one year ago, began debates over the union's structure that could be crucial for Poland's future.

As the delegates discussed policy and politics for the third day, Solidarity negotiators contained a confrontation that erupted Saturday in Bydgoszcz during a mass prison escape that sparked a protest by about 150 inmates, who rioted and barricaded themselves in a jail. They ended their action peacefully Monday, the PAP news agency reported.

About 150 prisoners escaped during a riot Saturday and early Sunday after the shooting of a young inmate during an escape attempt. The remaining prisoners took over a section of the prison, smashed windows, threw furniture out and then submitted a list of 28 demands to the authorities for improved prison conditions and an amnesty for escapees who returned voluntarily.

Escapes at Large

Solidarity members intervened after a crowd gathered outside the jail late Saturday in support of the rioting prisoners. The PAP report said about 90 escapees remained at large and that several of those included "dangerous criminals charged with murder and robbery."

Union leaders in Katowice, southern Poland's coal and steel capital, marked ballots on whether to remove the manager of the giant Huta Katowice steel mill, where there has been labor trouble.

Both disputes illustrated Solidarity's claim that it has forged a social revolution tempered by peace in Communist Poland and that it will seek to keep communication channels open so it stays that way.

But the hard-line army daily, Zolnierz Wolnosci, took issue with the union, saying its decision to ban Polish television from the congress in a media dispute "confirmed the general opinion that the road to genuine agreement is still far away."

Class Challenged

"The authors and participants" of a recent union broadcast "did their best to deprive the television viewers of what is at stake. It consists in opposing public opinion to the government, in the right to pursue its own policy and most of all in seizing power," the newspaper said.

One Solidarity delegate, Leszek Sobieszak of Gdansk, proposed that the union strike a clause regarding the leading role of the Communist Party from its charter. The clause was a key factor in delaying registration of Solidarity as a union here last October, but was finally accepted by the union.

"It may have been necessary when we were beginning our fight, but now it's a little absurd when we are fighting most of the party's ideas," said Mr. Sobieszak, a founder of the Gdansk chapter.

One such battle with the party



Soviet President Leonid I. Brezhnev greets Le Duan, the North Vietnamese leader, at the Kremlin in a photo released by Tass.

Brezhnev Says Russia Will Match U.S. Arms

From Agency Dispatches

MOSCOW — Soviet President Leonid I. Brezhnev said Monday that efforts by the Reagan administration to gain strategic superiority are doomed to failure and that the Soviet Union will produce a "proper counterbalance" to any new weapons system developed by the United States.

Mr. Brezhnev said the Soviet Union has repeatedly called for an end to the development of "new, even more terrible types of weapons" and that its foreign policy is based on the search for a "reliable peace."

Mr. Brezhnev said, "We shall not remain indifferent to the appearance of such weapons in the arsenals of the United States and other NATO members. If this happens, the Soviet armed forces will be in the possession of a proper counterbalance to such weapons."

Kremlin Luncheon

The Soviet leader made the remarks during a Kremlin luncheon honoring the visiting Vietnamese Communist leader Le Duan. Portions of the speech distributed Monday night by Tass suggested that Mr. Brezhnev was addressing the Reagan administration's plan for expanding U.S. strategic nuclear forces rather than any particular weapons system proposed by the administration.

Mr. Brezhnev appeared to restate Moscow's readiness to enter into arms limitation talks when he said that "what is needed is not so much fine words as real deeds [and] a practical readiness to take account of the rights and interests of other states."

Also, he continued, "what is called for is the ability to patiently look for solutions to contentious issues at the negotiating table."

Then, apparently rebuking senior American officials, Mr. Brezhnev said that to "talk about restraint and reciprocity and at the same time to pursue a provocative policy of challenge including in the field of armaments is to increase mistrust and to chip away at the foundations of peace."

"To set oneself the aim of becoming stronger than all others, to lay claim to world leadership — all this has already taken place in recent history and the outcome of such attempts is well known."

During talks with Mr. Duan, Mr. Brezhnev pledged more economic aid for Hanoi.

An official report on the meet-

Tightening Hold, Egypt Takes Over Mosques

CAIRO — The Egyptian government, imposing tough new internal policies, announced Monday that it was taking over 40,000 privately owned mosques and tightening its supervision of the Moslem clergy.

In the wake of arrests last week of Moslem hard-liners, the Ministry of Religious Endowments said that it had taken control of 65 would be allowed to deliver Friday prayer messages. He said that there would be "more coordination on all matters dealing with sermons, with no politics at all."

President Anwar Sadat, vowing to show no mercy to critics who have exploited religion, has detained 1,536 people since Wednesday in the biggest crackdown of his 11-year rule.

The Associated Press said that Mr. Sadat scheduled a referendum for Thursday to rally the public behind him. He won overwhelming public support in four previous referendums on his policies, including the peace treaty with Israel in 1979.

To overcome a shortage of authorized preachers, teachers from Islamic institutions are being assigned to read sermons at private mosques, an official said.

Egypt's Coptic patriarch, stripped of his powers in the crackdown, was called Monday to a desert monastery at Wadi Natroun, halfway between Cairo and Alexandria.

The newspaper of the ruling Na-

'Mission Implausible' Bogs Down in Bahamas Backwater

By Jo Thomas
New York Times Service

PROVIDENCIAS ISLAND, Turks and Caicos Islands — The battle plan, dubbed "Mission Implausible" by the Miami press, was a peaceful invasion of the U.S. Naval Base at Guantanamo Bay by Cubans United, a minuscule exile group, to establish an anti-Castro government in exile.

One shipwreck, one hijacking, several Coast Guard tows and 25 days later, the expeditionary force has managed only to land on a small, startled British colony just south of the Bahamas. The sole wounds have been mosquito bites and the only losses, wristwatches sold for food, cigarettes and rum.

For more than two weeks, 59 stranded Cubans have been living in the bush on Providencias Island, in the Turks and Caicos chain, while the authorities have grappled with the problem of how to get rid of them. Most arrived in Florida last year, crossing with 120,000 other Cuban refugees from Mariel to Key West in small boats.

"We can't play host," said the governor of the Turks and Caicos, John C. Strong. The six-man police force of Providencias Island, which is 3 miles by 22 miles, is greatly outnumbered by the Cubans, who lately have taken to fighting among themselves and are blamed by the police for two break-ins, a crime previously unheard-of here.

The Miami-based leader of Cubans United, Wilfredo Navarro, who did not go along with the expedition, said he would no longer be responsible for the stranded men, according to the Coast Guard. The group's military adviser, Frank A. Sturgis, one of those convicted of the Watergate burglary, did come to the island, but slipped from sight hours before the most recent in a series of promised flights failed to show up to take the men home.

The location of home is problematic. The Mariel refugees, according to a spokesman for the Immigration and Naturalization Service spokesman, John Salamone, may now lose the special status that permitted them to stay in the United States.

Nonetheless, State Department officials have now arranged with the service to take the refugees back if the government of the Turks and Caicos will pay to fly them out. The cost would be at least \$50,000.

"It's a very, very unwelcome expenditure, and we certainly can't afford it," Mr. Strong said. "but they aren't American citizens — they're Cubans. It's a big plus that the Americans are taking them back at all. We're thankful."

"We have less than 7,500 people. How can we play host for any length of time to people of this nationality with their objectives and our geographical location? We could be used as an armed

INSIDE

Reaganite Rivalry

As President Reagan begins a week of difficult policy decisions, White House officials are acknowledging reluctantly that one price of Reagan's vacation in California has been a display of internal rivalry and discord in the administration that had been kept suppressed. Page 3.

Arms Gap

A report drafted by the U.S. Defense Intelligence Agency for the Joint Economic Committee of Congress shows that the Soviet Union outstrips the United States by as much as 3 to 1 in the production of most types of strategic and tactical weapons. Page 3.

China Floods

The heaviest rains in recent years have left large parts of China under water this summer, complicating grain harvests and retarding national efforts to rebuild the economy. In the coal-rich central province of Shanxi, the toll is 764 persons dead, 5,000 injured and 200,000 homeless. Page 4.

camp to our serious disadvantage in the twinkling of an eye."

The governor's anxieties are surpassed by those of the stranded Cubans themselves, who are frantic to leave but have nothing to go home to. All said they had given up their new jobs, homes and cars before leaving Miami.

"I'm going to arrive in Miami without money and without work," Ernesto Valdes Calveron, 43, said as he emerged from a hut he had made from cinder blocks and cardboard found on the island's commercial dock. "I'm afraid we'll get sent to Puerto Rico with the Haitians."

The genesis of the Cubans' expedition, State Department officials believe, was a report in The Washington Star last July that the Reagan administration was considering filling the Guantanamo naval base with stranded Cuban exiles and then giving the base back to Cuba. The report was denied by the White House and the State Department.

Mr. Navarro announced early in August that a flotilla from Miami and several foreign countries would invade the naval base and set up a government in exile. Many of those who made the trip said they believed it had the backing of some U.S. agency, although there is no evidence that this is true. The Navy said that anyone who arrived uninvited at Guantanamo Bay would be arrested.

Nonetheless, in a great glare of pub-

Severity of Threats to Sadat's Rule Questioned in Wake of Crackdown

By David B. Ottaway
Washington Post Staff Writer

CAIRO — Egyptian President Anwar Sadat, in his biggest crack-down on religious extremism and political opposition since he came to power 11 years ago this month, apparently has acted to halt trends he perceives as potential major threats to his regime.

Yet the question being asked by political analysts in Egypt is whether Mr. Sadat has overreacted to the problems besetting his rule and in the process ruined his carefully nurtured image as the most democratic leader of the Arab world.

In the past few days, Mr. Sadat has arrested more than 1,500 people, withdrawn state recognition of the head of the Coptic Church, dissolved 13 Moslem and Christian extremist groups, banned seven religious or political publications, transferred 67 journalists and 64 professors to other jobs and issued decrees tightening the laws on the formation and activities of political parties.

All this, he told the nation in a three-hour speech Saturday night, was done to protect social peace

and national unity and put an end to the worsening strife between Moslems and Christians in Egypt.

"No politics in religion and no religion in politics," Mr. Sadat repeatedly said, hammering home the main theme of his speech before a special session of the parliament and the Consultative Council.

"Sadat does not want a second Lebanon or Iran here in Egypt," said a Coptic Church spokesman, Bishop Samuel, who has been appointed by Mr. Sadat to a five-man commission to run the church's affairs in place of Patriarch Shenoudah III.

NEWS ANALYSIS

fore a special session of the parliament and the Consultative Council.

"Sadat does not want a second Lebanon or Iran here in Egypt," said a Coptic Church spokesman, Bishop Samuel, who has been appointed by Mr. Sadat to a five-man commission to run the church's affairs in place of Patriarch Shenoudah III.

Echoed by Moslem

Interestingly, the same remark was made by a Moslem interviewed in the street. He suggested that the message is getting through to the public at large and is finding some support among Egyptians of both religious persuasions.

The question that remains is how serious the menace from religious extremism or political opposition is to Mr. Sadat's regime and whether the stern measures he has declared are warranted.

Most Western diplomats have regarded his rule as relatively stable and unthreatened, despite the bubblings of discontent, particularly from Moslem fundamentalists and leftist opposition elements.

But in an effort to justify his measures, Mr. Sadat drew a disquieting picture of the state of Egypt, arguing that religious extremism is getting out of hand and that the country is veering off on a dangerous course.

While he chastised Patriarch Shenoudah and Christian extremist provocations, most of his attack was aimed at the Moslem Brotherhood and the scores of Islamic fundamentalist groups that have sprung up in the past decade. These groups have become increasingly outspoken, not only against the Western and secular ways of Egyptian society but against Mr. Sadat's policies. And in attempting to discredit these groups, Mr. Sadat revealed that he was irked as much by their attacks on his policies and person as by their extremist religious beliefs.

Begin, in U.S., Reiterates Opposition to AWACS Sale

New York Times Service

NEW YORK — Prime Minister Menachem Begin has reiterated his opposition to the sale by the United States to Saudi Arabia of Airborne Warning and Control System planes and other advanced military equipment. But he said that he hoped his talks with Reagan officials would be "constructive and fruitful."

Asked on his arrival Sunday in New York if the meetings beginning Wednesday in Washington meant a new stage in Israeli-United States relations, he replied: "Well, it's a new administration in the United States, and so perhaps it will be a new era."

However, he cautioned, "We can only repeat our position that if [the AWACS sale] will endanger very seriously the security of Israel."

Mr. Begin said his aides had prepared maps and memorandums on the issue for presentation during the 10-day official visit that will include his first talks with President Reagan. "I hope that after the meetings we shall have something more to tell you," he said.

While Mr. Sadat singled out a number of his critics by name, he did not present any evidence of a concerted conspiracy by the Moslem fundamentalist groups, or any other religious or political faction, against his regime.

There have been clear signs that the sectarian strife between Moslems and Christians was getting out of hand and stronger measures were needed. Now, however, Mr. Sadat has silenced practically every voice opposed to his policies and has made it almost impossible for public criticism to be aired.

Calling all such criticism "lies," "absolute impudence" and "insolence," he has said he will show no mercy and intends to put all 1,536 persons he has arrested on trial for jeopardizing the unity and security of the nation.

At the same time, he has said that he will not dissolve the presently legal opposition parties and that the trials of his opponents will be open and fair.

While not abandoning the rule of law, Mr. Sadat has clearly narrowed considerably his notion of "democracy" and shown that his tolerance for real dissent or criticism has all but ended.

Begin's Ambitious Schedule and Large Entourage are Attributed to a Desire to Rebuild Relations with the United States.

Congressional Debate

The proposed \$5.5-billion sale, supported by Mr. Reagan, is expected to preoccupy Congress when legislative sessions resume Wednesday. Congress has until Oct. 30 to vote on the proposal.

Mr. Begin was accompanied by a larger entourage than he has had during any of his 11 previous trips

to the United States. It included three top Cabinet members, Foreign Minister Yitzhak Shamir, Defense Minister Ariel Sharon and Interior Minister Yosef Burg.

Mr. Burg heads the negotiating team in the renewed talks on Palestinian self-government in occupied areas of the West Bank and Gaza Strip. The negotiations, to begin Sept. 23 in Cairo, are among the items on the agenda for talks with the Reagan administration.

[Mr. Begin was spending Monday with his top aides and meeting Jewish leaders at the Waldorf-Astoria Hotel in midtown Manhattan, where he is staying before going to Washington on Tuesday, The Associated Press reported.]

Busy Schedule

Mr. Begin will meet with Reagan administration officials Wednesday and Thursday before returning to New York on Friday for a weekend of receptions, banquets, awards and meetings. His last stop is Sept. 15 in Plains, Ga., to see former President Jimmy Carter. He returns to Israel the same day.

Mr. Begin's ambitious schedule and large entourage are attributed to a desire to rebuild relations with the United States, which reached a low point after the Israeli bombing of the Osirak nuclear reactor in Iraq on June 7 and the Israeli bombing of a civilian area in Beirut on July 17.

Mr. Begin brought with him a gift for President Reagan. It is a rare 17th-century map of what is now Israel and Jordan, showing the territories of the original 12 tribes of Israel.

Nine of the tribes are shown on the West Bank of the Jordan River in what is now disputed territory, two on the East Bank in what is still part of Jordan, and the 12th straddling the border.

French Assembly to Begin Work on Socialist Program

By Stephen Weeks
Reuters

PARIS — France heads farther down the Socialist road Tuesday when the National Assembly starts work on a program of economic, political and social reforms.

President Francois Mitterrand has packed the autumn legislative agenda to take advantage of the popularity now enjoyed by his Socialist Party.

The list of bills includes such projects as nationalization of major industries and banks, a surtax on the rich to help the poor and

changes on the state's broadcasting networks.

The Socialists, who accused the state broadcasting monopoly of biased reporting before they came to power, have replaced all three television network chiefs and all but one news director.

The Assembly will also legislate new rights for the estimated 4.2 million immigrants now living among France's total population of 54 million. The Socialists have already given an estimated 300,000 immigrants working illegally in France three months to register and receive legal status.

The government wants to overturn the 1979 law which imposed strict rules to prevent foreigners from seeking jobs — particularly people from French-speaking areas of North and West Africa.

Although Socialist popularity has waned since the breaking of 23 years of conservative rule last spring, opinion polls show Mr. Mitterrand and Prime Minister Pierre Mauroy commanding the confidence of over 60 percent of the country.

But October may see a major test of the government's hold on its own supporters when the Assembly debates whether France should retain an ambitious nuclear energy program.

Socialist divisions on the issue run so deep that Mr. Mitterrand has made the nuclear vote one of confidence in the government to stop any embarrassing defections.

The support of the Communists, whom Mr. Mitterrand took into his government despite his absolute Socialist majority in the Assembly, should ensure that all his proposals are passed on schedule.

The Communists, who suffered drubbings in both the presidential and parliamentary elections, have vowed to show leftist solidarity by supporting Socialist program. They are strong supporters of nuclear energy while some Socialists may try to curtail the program.

Ultimately, Mr. Mitterrand's success may depend on his handling of the two problems which many in the country consider the most pressing — inflation at 14

U.S. Schools to Enroll Fewer Children in Fall

The Associated Press

WASHINGTON — There will be 870,000 fewer children in U.S. schools this fall, but the cost of educating them with fewer teachers and larger class sizes is rising 10 percent, education officials say.

Education Secretary Terrell H. Bell predicts that total enrollment will slip from about 58.4 million in 1980-81 to approximately 57.6 million. The National Center for Education Statistics said Saturday that the cost of education from kindergarten through college will rise to \$198.3 billion while the number of elementary and secondary teachers will drop by 23,000 to 2.4 million.

China Accuses Vietnam of Bombing Chinese Territory

PEKING (AP) — China sent Vietnam a note Monday accusing it of bombing Chinese territory with artillery fire since May in a deliberate effort to worsen Chinese-Vietnamese relations.

The note said that the Chinese government had received reports that Vietnam had fired 100 shells into Chinese territory in the past few days.

The note also said that the Chinese government had received reports that Vietnam had fired 100 shells into Chinese territory in the past few days.

Korea Typhoon Toll at 93

The Associated Press

SEOUL — The death toll from the typhoon designated Agnes rose to 93, with 33 persons still missing and property damage estimated at \$109 million, according to South Korean government figures Monday.



Soviet Sgt. Maj. Nicolay Feodorovich Pestretov, 36, who South African forces say they captured in Angola last month, shown with Brig. Ben de Wet Roos, a South African officer, in a photograph released by South African authorities who did not say where or when it was taken.

South Africa Is Firm on Namibia Stand

(Continued from Page 1)

agree to put the independence plan into effect.

[The Johannesburg Star reported Monday that South Africa has unofficially softened its attitude and was "no longer implacably opposed" to the presence of UN troops during elections that would be expected to lead to an independent Namibia, The Associated Press reported from Johannesburg.]

At a conference in Geneva early this week, South Africa was told that it could have the assurances it sought in exchange for a cease-fire date, but it insisted that the United Nations had to prove its good faith before the question of a date could even be discussed.

Brezhnev Says Russia Aims To 'Balance' New U.S. Arms

(Continued from Page 1)

aim of driving Vietnamese forces out of their country.

Western diplomats speculated that Mr. Duan was seeking more Soviet economic and military aid so that Vietnam would be able to resist a possible upsurge of resistance against its presence in Cambodia following the Singapore meeting.

The Tass report made no mention of the new anti-Vietnamese alliance, forged by leaders of the Khmer Rouge, the anti-Communist Khmer People's National Liberation Front, and Prince Norodom Sihanouk, the former head of state.

Tass gave no details of the projects Moscow planned to launch in Vietnam, only saying that they were of great economic importance to the country. The Soviet Union agreed last year to help Hanoi exploit offshore oil reserves.

Mr. Brezhnev also told Mr. Duan that the Soviet Union would open up its markets in the Far East and Siberia to greater imports of Vietnamese vegetables and fruit, Tass added.

France Urges Withdrawal of South African Troops

PARIS (AP) — The French government Monday called for an end to South Africa's military action in Angola and an immediate withdrawal of South African forces from Angolan territory.

"At the moment when efforts to lead Namibia to independence are increasing, it is necessary that South Africa and an immediate withdrawal of South African forces from Angolan territory."

The French government said that it was necessary to put an end to a statement issued by the Ministry of External Relations.

Sikh Protesters Seek Autonomy

New Delhi (AP) — Several thousand Sikhs marched on India's Parliament on Monday demanding greater autonomy for Punjab, their home state bordering Pakistan.

Belonging to the militant Sikh party, Akali Dal, they also demanded that the federally administered territory of Chandigarh, which serves as common capital for Punjab and Haryana states, be merged with their state. Some carried signs reading "Stop interference in Sikh religious affairs."

The Akali party was in control of Punjab for three years until it was defeated in elections last year by Prime Minister Indira Gandhi's Congress Party.

Blaming Conflicts On Russia Seen by Carter as 'Mistake'

TOKYO — Former U.S. President Jimmy Carter said Monday that to attribute all international conflicts to Soviet agitation is a "simplistic view" and a "mistake."

"It is obvious that many of the conflicts around the world are caused by people struggling to achieve their basic human rights, to have freedom, to implement democracy and to enhance the independence of their country," Mr. Carter said in a news conference at the Japan National Press Club.

He said the Soviet Union has a totalitarian government that constrains human rights, "but it would be a mistake to oversimplify extremely complicated interrelations in the world and denigrate the legitimate desire of people for freedom and enhanced human rights."

Through Mr. Carter was obviously referring to the foreign policy of President Reagan, he also said: "When a former president is overseas, it's perhaps impolite to emphasize differences with a political foe. Mr. Carter, who arrived in Japan on Thursday after a 10-day trip to China, returns to the United States on Tuesday.

He also said that peace in the Middle East depends on recognition by the Arabs of Israel's right to exist and on giving the Palestinians a homeland and a voice in their future.

Chad Rebels Claim Victory Over Libyan Troops

PARIS — Rebel forces in Chad have driven Libyan troops out of the eastern town of Ghereda and now control the area, a rebel spokesman claimed Monday.

Afai Ahmed, a spokesman in Paris for former Premier Hissène Habré's Armed Forces of the North, said Ghereda fell Saturday after heavy fighting. He said the Libyans and their allies, the troops of President Goukouni Oueddei, took losses of 113 dead, 27 wounded and 6 captured. He put rebel losses at three dead and five wounded.

After losing the fight for Ndjamena, the capital, following the intervention of Libyan troops in December, Mr. Habré withdrew his forces to the eastern area near Sudan, where he has continued a guerrilla action.

Union of Senegal and Gambia Is Seen by 1982

DAKAR, Senegal — President Abdou Diouf, celebrating his 46th birthday Monday in the West African nation he has ruled for eight months, said his country will be united with Gambia by Jan. 1, 1982.

Mr. Diouf predicted a confederated "Senegambia" would be a long-term economic gain for both countries. "I think that in the short term Senegambia will impose sacrifices on the Senegalese," Mr. Diouf said. "But in the mid and long term it will benefit Gambia and Senegal."

Senegal, a former French colony, has a population of 5.8 million. Gambia, a former British colony with a population of only 600,000, is a narrow strip of territory about 10 miles wide that extends 200 miles into the Senegalese interior. The two nations have long talked about a union.

New IRA Prisoner Joins Belfast Hunger Strike

BELFAST — John Picketing, 25, an Irish Republican Army guerrilla who is serving life imprisonment for several offenses including killing a man, went on a hunger strike Monday amid increasing uncertainty over the future of the fast campaign.

In the last week, two hunger strikers nearing death were saved when their families ordered doctors to intervene after the men had slipped into a coma. Four men have now come off fasts this way, and sources close to relatives of the remaining six hunger strikers say more families will also act to save their sons' lives.

Meanwhile, two policemen were killed when a remote controlled land mine exploded under their car outside the mainly Catholic village of Cappagh, near Pomeroy, 60 miles (100 kilometers) west of Belfast, police said.

Hundreds Killed in North Yemen, Leftist Says

KUWAIT — Hundreds of people have been killed and wounded in North Yemen during the past four weeks as a result of heavy fighting between the army and forces of the opposition National Democratic Front, a leader of the leftist front said in a newspaper interview published Monday in Kuwait.

Yahya Alshami, identified as the director of foreign relations of the front, complained that North Yemeni President Ali Abdullah Saleh had ordered the army to attack despite a cease-fire between the two sides signed in Aden, Southern Yemen, on Aug. 10.

The Kuwaiti newspaper Al-Sayassah, which interviewed Mr. Alshami in Aden, quoted him as saying that the front had annihilated two of the seven brigades that attacked its bases in central Yemen, and thus stopped the advance. Mr. Alshami said the North Yemeni troops had been reinforced along the border with Marxist-led Southern Yemen "to restrict the front's movements."

Chad Rebels Claim Victory Over Libyan Troops

PARIS — Rebel forces in Chad have driven Libyan troops out of the eastern town of Ghereda and now control the area, a rebel spokesman claimed Monday.

Afai Ahmed, a spokesman in Paris for former Premier Hissène Habré's Armed Forces of the North, said Ghereda fell Saturday after heavy fighting. He said the Libyans and their allies, the troops of President Goukouni Oueddei, took losses of 113 dead, 27 wounded and 6 captured. He put rebel losses at three dead and five wounded.

After losing the fight for Ndjamena, the capital, following the intervention of Libyan troops in December, Mr. Habré withdrew his forces to the eastern area near Sudan, where he has continued a guerrilla action.

Khomeini Calls Iran Stable, Accuses U.S. of 'Onslaught'

From Agency Dispatches

ANKARA — Ayatollah Ruhollah Khomeini said on Monday that "Iran is one of the most stable countries" in the world, but he accused the United States and other countries of seeking his overthrow.

Tehran Radio, monitored in Ankara, said Ayatollah Khomeini made the remarks in a message to Moslems of the world and later in a speech to Premier Mohammed Reza Mahdavi Kani and his Cabinet, who called at Ayatollah Khomeini's home.

Ayatollah Khomeini rejected speculation by "corrupt radio stations" that his foes could topple his regime by killing off his aides in a wave of assassinations.

"Eight assassination attempts have been made against presidents of the U.S.A., the biggest capitalist state, and four have been killed so far," he said. "If stability could be destroyed upon a president's assassination, then the U.S.A. should have lost its stability too."

"Reagan was attacked at the very outset when he took over," Ayatollah Khomeini said. "Well, how was it that the United States didn't plunge into chaos, as it certainly shouldn't have?"

"Compare our country with other countries... Which country is more stable than ours?" Ayatollah Khomeini asked. "Where does another prime minister take over right after one is assassinated?"

He was referring to the assassinations of President Mohammed Ali Rajavi, Premier Mohammed Bahonar and Tehran police chief Houshang Dasgardi on Aug. 30 and last Saturday's assassination

Prague Leader Visits Libya

FRAGUE — Czechoslovak party chief and president, Gustav Husak, left Monday for an official visit of Libya. It was reported. He also is to visit Ethiopia and South Yemen.

Consulate Occupied

LONDON (Reuters) — Indian students briefly took over India's consulate in London on Monday. Police said 34 persons were arrested.

A spokesman for the students said they were opposed to Ayatollah Khomeini and supported the Mujaheddin organization, which is fighting to overthrow the Islamic government.

He said the protest was a peaceful one with no intention of taking hostages or causing any damage. But a police spokesman said there had been extensive damage in the basement and first floor, apparently to furniture and fittings. He said the occupation lasted about 20 minutes.

TUC Endorses Governing Plan

BLACKPOOL, England — Delegates representing nearly 12 million workers Monday endorsed a proposal which union sources said could strengthen the position of the right wing of the government body of Britain's Trade Union Congress.

The annual congress, umbrella group for 108 British trade unions, voted to make representation of individual unions' membership. Under the present system, smaller unions receive council seats through the patronage of larger unions.

Small and medium-sized white-collar and craft unions with right-leaning leaderships would have automatic representation on the council under the new system.

The finest service often goes unnoticed. The answer lies not in responding to requests, but in anticipating them.

Souvenir le meilleur service ne se remarque pas. En effet, il ne s'agit pas de satisfaire les demandes mais de les prévenir.

Die besten Dienstleistungen sind oft die unauffälligsten. Es handelt sich darum, Wünschen nicht entgegen-, sondern zuvorkommen.

SPEAK FRENCH Like a diplomat!

Who's sort of people need to learn a foreign language as quickly and effectively as possible? For a service person? For a business person? For a student? For a professional? For a diplomat? For a politician? For a diplomat? For a politician?

Now you can make a start on learning to speak French just as these diplomatic persons do — with the Foreign Service Institute's Basic French Course.

The U.S. Department of State has spent millions of dollars to develop this course — it is by far the most effective way to learn French at your convenience and at your own pace.

The Basic French Course consists of a series of audio cassettes and an accompanying textbook. You simply follow the spoken and written instructions, listening and repeating. By the end of the course you'll know how to speak and understand French.

The course turns your cassette player into a "teaching machine" with its unique built-in dictating feature. You can hear the native speaker's voice and repeat it. The course is designed to be used in a classroom or at home.

ORDER, JUST CLIP THIS and mail it with your name and address and a check or money order. Or charge to your credit card (American Express, VISA, Access, Discover, Club) by enclosing card number, expiration date and your signature.

The Foreign Service Institute's French course is unconditionally guaranteed. Try it for three weeks. If you are not completely satisfied, we'll return it and we'll refund every penny you paid. Order today!

1200 offers FBI language courses also available. Write us.

Audio Forum Dept. L-65
1200 East 17th Street
London, KY 40302
1-800-521-1343

Audio Forum Dept. L-65
1200 East 17th Street
New York, NY 10011
1-212-697-1343

THE COLONNADE
BOSTON'S EUROPEAN
GRAND HOTEL

For instant reservations call:
In London: (01) 533-3636.
In Paris: 522-1034
In West Germany: 361 512033

The Leading Hotels
of the World

15 New End Square,
London EC4 England

Reagan Vacation Takes Its Toll on White House Morale

By Steven R. Weisman
New York Times Service

WASHINGTON — As President Reagan begins a week of difficult policy decisions, White House officials are acknowledging reluctantly that one price of Mr. Reagan's vacation in California has been a display of internal rivalry and discord in the administration that had been kept suppressed.

The officials also said that the vacation seemed to have disrupted operations among Mr. Reagan's top advisers — Edwin Meese 3d, James A. Baker 3d and Michael K. Deaver — for the first time since the president took office. As a result, there have been an unusual number of contradictory statements from them and from Cabinet members on the budget and on military spending.

Mr. Reagan's monthlong vacation was the first substantial period in which the twice-daily meetings of the three aides was interrupted. The recent disarray within the administration was taken by White House aides as yet another illustration of the importance of the "big three" in maintaining order in the administration.

By the same token, many White House aides expressed confidence that harmony would be restored with everyone back on the job in the capital this fall. "August was a month that brought out real strains in our operations," said an official. "I'm looking forward to reuniting from the summer."

White House officials agreed that the worst problems arose over military spending plans. Last month, Mr. Meese, the president's counselor, said at a news conference in Los Angeles that there were no plans to trim the increases in military spending that Mr. Reagan has proposed for the fiscal years 1983 and 1984.

But as he was saying this, other officials were disclosing that David A. Stockman, director of the Office of Management and Budget, was preparing plans for substantial cutbacks in those same proposed spending levels.

A few days later, Mr. Baker, the White House chief of staff, flew to Los Angeles after a vacation of his own in Texas and suggested to reporters that there would be cuts of up to \$30 billion in projected military spending for 1983 and 1984.

Internal Resentments

Mr. Baker's prediction was then followed by a denial from Defense Secretary Caspar W. Weinberger, who said there would be no such cuts. In a speech in Honolulu last week, Mr. Weinberger went further, declaring openly that he had been "concerned about some of the economic arguments which are being advanced against needed strengthening of our defenses."

The apparent clash between Mr. Baker and Mr. Weinberger dismayed several administration officials. Spokesmen for Mr. Baker now say that he did not mean to assert that a decision had been made, only

that Mr. Reagan had been "prepared" to cut proposed increases in military outlays next year, he joked.

He then added that Mr. Baker, Mr. Meese and Mr. Deaver, the deputy chief of staff, had demonstrated both strengths and weaknesses in their operations and that the weaknesses became exposed when "the team was scattered all across the country." He expressed optimism that they would restore order when they resumed their daily meetings this week.

Other officials said the administration's problems had been aggravated by negative feelings that were displayed in the financial community and in the press.

The plunging stock and bond markets have placed surprising new pressure on the administration to cut federal spending faster and deeper than originally contemplated. This has led to strains among those who had thought that there might have been a breathing space this fall that would have allowed Mr. Reagan to attend to matters other than his economic program.

In the press, there have been several articles, editorials and cartoons about Mr. Reagan's relaxed work habits while he was at his California ranch. Mr. Meese's decision not to awaken Mr. Reagan right away after two U.S. jet fighters shot down two Libyan planes in the Mediterranean was especially criticized.

"I think we did suffer to some extent from the president's vacation," said an official. "Now we have to regroup, to pull our forces back together and get this administration moving again."

Defense Ministry sources said that the aim would be to spread deliveries more evenly over the period up to 1988. West Germany would purchase 42 of the swing-wing planes next year instead of 54 originally planned, and Britain would buy 44 instead of 59.

Political sources in Bonn, meanwhile, said that Parliament could seek a further 1 billion mark cut-back in overall federal spending next year because Common Market payments have been set too low and revenue from tobacco and liquor taxes too high.

Union Officials, Administration Sharply at Odds on Labor Policy

By Steven V. Roberts
New York Times Service

WASHINGTON — On the eve of Labor Day, White House and trade union officials exchanged sharp-edged charges over the administration's handling of the air traffic controllers strike and the impact of President Reagan's economic program on the nation's workers.

Lane Kirkland, president of the American Federation of Labor and Congress of Industrial Organizations, asserted Sunday that Mr. Reagan's "hardfisted" tactics in dealing with the air controllers had demonstrated an insensitivity to the needs of labor.

"What remains to be established is, where's the rest of him?" Mr. Kirkland said on a nationally televised news program. "Where's the heart? And where's the understanding of these people's problems that will make it possible to have a decent resolution" of the strike?

But Mr. Reagan faces a difficult problem: While trying to boost confidence in his economic program, he has to be careful not to raise expectations too high. During the current congressional recess, some of the president's allies have expressed concern that voters might expect "too much, too soon" from the Reagan plan, and on Sunday the president cautioned his listeners that "we are only beginning a recovery that will take many long months."

Labor leaders pressed their contention Sunday that the Reagan program aids the rich, not the rank-and-file workers. "There is no question," Mr. Kirkland asserted, "that the broad attack on the budget has undermined very important programs of great value, not only to working people, to broad elements of the population who have counted upon these programs to give them a decent fighting chance in life, programs designed to make workplaces more safe, to make products more safe, to aid education."

Such informal conversations, through intermediaries, have been reported several times before. A spokesman for the Federal Aviation Administration said Sunday that no bargaining was in progress.

Poli Comments on Strike

PATCHOGUE, N.Y. (AP) — Behind-the-scenes discussions are under way between federal officials and the air controllers' union, and a settlement of their month-old strike "could come at any time," union chief Robert E. Poli said at a strike rally on Sunday.

U.S. Reports Soviet Lead In Weapons Production

By Thomas O'Toole
Washington Post Service

WASHINGTON — A report drafted by the Defense Intelligence Agency for the Joint Economic Committee of Congress shows that the Soviet Union outproduced the United States by as much as 3-to-1 in the production of most types of strategic and tactical weapons.

The report, declassified by the agency last week, estimates annual Soviet production for the past five years at 3,000 tanks, 5,500 other armored vehicles, 1,300 fighter planes and 400 short-range ballistic missiles for battlefield use. While precise U.S. figures are secret, the agency said that the United States produced in 1980 one-fourth as many tanks, one-third as many armored vehicles, half the fighters and half the number of battlefield ballistic missiles.

numbered U.S. production 30-to-350 to one. Helicopter production given for 1979 said the Soviet Union outproduced the United States, 700-to-175.

Larger Standing Army

In explaining some of the huge production differences, defense experts pointed out that the Soviet Union traditionally produces more weapons than the United States because it has a larger standing army and air force.

The United States attempts to balance larger Soviet quantities of arms with better, more technologically up-to-date weapons, the experts said.

In such strategic weapons as long-range intercontinental missiles, the United States once had a lead over the Soviet Union but decided in the late 1960s to stop producing these expensive weapons. The Soviet Union has since caught and even passed the United States, in large part because it maintained missile assembly lines when the United States was closing them.

China Leaders Resume Weekly Manual Chores

PEKING — Members of China's Communist Party secretariat are taking part in manual labor once a week, reviving a tradition that was discarded after the death of Mao, the People's Daily said Monday.

The party newspaper said secretariat members had swept paths in Zhongnanhai, part of the former imperial palace where many of China's top leaders live, and that from now on they would perform physical labor every Saturday afternoon.

The secretariat is headed by Hu Yaobang, who was made party chairman on July 1, but the paper did not say whether Mr. Hu took part. Officials were obliged to perform regular stints of physical labor during the era of the Maoist "Gang of Four," because desk work was considered to alienate them from the laboring masses.

The idea was quietly dropped after Mao's death in 1976, but there has recently been a partial revival of Maoist traditions.

Bonn Still Might Increase Arms Spending, Aide Says

BONN — West German military spending could grow in real terms next year even though it will not meet the NATO target of an increase of 3 percent after inflation, Defense Minister Hans Apel said Monday.

He based his forecast on savings, worked out by ministry experts, that are expected to release more than 500 million marks (\$205 million) in 1982 for priority projects.

"Depending on where the inflation rate is fixed next year, we shall certainly achieve a plus," Mr. Apel told a news conference in Bonn.

The 1982 military budget has been a source of controversy because of pressure by the United States to meet NATO goals. U.S. Defense Secretary Caspar W. Weinberger said he was disappointed last month when the figure was first announced in Bonn.

Defense Ministry sources said that the aim would be to spread deliveries more evenly over the period up to 1988. West Germany would purchase 42 of the swing-wing planes next year instead of 54 originally planned, and Britain would buy 44 instead of 59.

Political sources in Bonn, meanwhile, said that Parliament could seek a further 1 billion mark cut-back in overall federal spending next year because Common Market payments have been set too low and revenue from tobacco and liquor taxes too high.

NATO Sets Games For Mediterranean

NISIDA, Italy — Five NATO ships will stage war games in the Mediterranean and visit three ports in Italy and France starting Thursday, NATO's naval headquarters for the Mediterranean announced Monday.

The five ships — from the United States, Britain, Italy, Greece and Turkey — will be participating in NATO's large-scale autumn war games called, "Display Determination." They will be commanded by a Turk, Gökmen Kececi.

The maneuvers will not approach the disputed Gulf of Sidra off the Libyan coast, where U.S. Navy jets shot down two Libyan warplanes Aug. 19, NATO said.

TWA enhances First Class with a touch more class.



Introducing new Royal Ambassador Service.

It isn't easy improving First Class. But TWA has done it by re-examining everything. And improving it.

We call it Royal Ambassador Service.

A better class of seat. We started, of course, with the Sleeper-Seat on our 747's. They're specially redesigned for new, contoured comfort. Better for relaxing and sleeping — they recline further than ever.

Food for thought. You won't spend all your time sleeping or watching the film. You'll want to dine well. So, we offer five entrées, varying according to your flight, including dishes such as Duck with mangoes and Lobster Thermidor.

And we've taken a long, critical look at our wine list. You can choose classic French wines, and Californian Chardonnays and Cabernet Sauvignons like Mondavi and Freemark Abbey (4-stars in authoritative guides).

Service second to none. All is served with distinction, on monogrammed china with a fresh flower on your table. Service is discreet, attentive and friendly.

You'll be presented with our new toiletry kit specially designed by Ralph Lauren, no less.

Could we offer more? Your own check-in? Of course. A comfortable airport lounge? TWA Ambassador Clubs are at most international airports. Champagne before taking-off? Indubitably.

It's the sort of big improvement you'd expect from the biggest airline across the Atlantic: TWA's Royal Ambassador Service in First Class will spoil you for any other airline.

Consult your Travel Agent.

You're going to like us **TWA**

Blaze on Marshall Islands Destroys Government Data

HONOLULU — The two-year-old government of the Marshall Islands, a U.S.-administered trust territory in the Pacific, lost its operational center and irreplaceable financial, legal and other records in a fire Aug. 24 in Majuro, the capital, according to the government's liaison office here.

The blaze destroyed the Administration Building, which housed the offices of the chief secretary, the attorney general and the auditor general, the departments of Finance, Immigration and Social Security and the Marshall Islands credit union. Two government warehouses containing equipment parts and other materials also were destroyed.

The fire has left the Marshall Islands government in "a real mess," said Robert Law, head of the liaison office and a former district administrator or governor of the Marshall Islands.

While the functions of the Marshall Islands government are directed from the offices of the president, Amata Kabua, and other executives in the new Legislative Building several miles from the scene of the fire, most records were kept in the Administration Building.

No one was injured in the fire, discovered by an official who was in his office working late on a new budget. The cause of the blaze is under investigation.

The Administration Building, from which U.S. officials had run Marshall Islands affairs until the islands became self-governing two years ago, was originally a Quonset hut erected on the shore of Majuro Lagoon just after World War II, when Majuro was a Navy base. It had received additions over the years.

The trust territory, which also

includes the Caroline and Mariana Islands, was occupied by U.S. forces as a result of World War II and in 1947 was made a UN trusteeship. Known as Micronesia, it has been divided into the self-governing entities of the Marshall Islands, the Palau Islands and the Federated States of Micronesia. A fourth unit, the Northern Mariana Islands, voted to become a U.S. commonwealth.

Neo-Nazi Suspected In Jewish Killing

NUREMBERG — The public prosecutor's office said Monday that police are now certain a leading neo-Nazi was responsible for the murder of a Jewish publisher and his companion last year.

State Attorney Rudolf Brunner said Karl-Heinz Hoffmann, 43, head of an outlawed neo-Nazi organization called the Military Sports Group Hoffmann, planned and carried out the killing of Shlomo Levin and his companion, Frida Poeschke, in December, 1980.

"The murder is solved," Mr. Brunner said. "There is no doubt that Hoffmann will be charged in the near future." Mr. Hoffmann, whose group won notoriety for its war games, attacks on leftists and its anti-Semitism, was ordered held on Aug. 19 in connection with the murder.

Indonesian Volcano Erupts

JAKARTA — Mount Krakatau, a volcano on the tiny and remote Palu Island in eastern Indonesia, has erupted for the second time this year, but no casualties were reported, the Meteorological Institute said Monday.

HOW DO YOU ASK FOR THE CLASSIC SCOTCH WHISKY IN MALTA?

"Tini grokk Johnnie Walker jekk joghgbok." "Bis-sahha tieghek!"

Best TAX-FREE EXPORT PRICES!

ALL PERFUMES • COSMETICS
BAGS • SCARVES • TIES
FASHION ACCESSORIES

MICHEL SWISS
16, RUE DE LA PAIX
PARIS

2nd Floor, Elevator
FLAWLESS MAIL ORDER DEPARTMENT
FREE SAMPLE
Phone: 261 71 71

Hotel
in Paris:
everything is
except the

Phase 1 of the renovation program has been completed.
A Grand Metropolitan Hotel
Hôtel Maurice 228, rue de Rivoli 75001 Paris - Tél. 260.38.60 - Télex 230 673 F

NEW ORLEANS Sonesta Style



Experience the elegance and excitement of the famed French Quarter during your stay at the deluxe Royal Sonesta on Bourbon Street. Our luxurious guest rooms and exceptional gourmet cuisine is the finest in New Orleans. Stay in New Orleans Sonesta Style.

For Reservations Call Sonesta Inland Reservations In: Amsterdam (020) 25 65 42 Frankfurt (011) 28 43 98 London (01) 628 3451 Paris (01) 079 17 17 Zurich (01) 202 08 57 or call your travel agent.

Royal Sonesta Hotel New Orleans 300 Bourbon Street New Orleans, Louisiana (504) 586-0300 Telex: 56336

Floods in China Slow Efforts for Economy

By Michael Weisskopf
Washington Post Service
PEKING — The heaviest rains in recent years have left large parts of China under water this summer, complicating grain harvests and retarding national efforts to rebuild the economy.

The latest devastation centers on the coal-rich central province of Shanxi where weeks of steady downpours have dropped up to 23 inches in some places, resulting in at least 764 deaths, injuring 5,000 and leaving 200,000 homeless, the People's Daily reported Monday. The Shanxi rains have inundated 260,000 acres of farmland, killed 8,000 farm animals and swept away 32,000 homes and 130 entire villages, according to the newspaper.

Although there was no indication of damage to coal mines, the paper said 100 landslides along important railroad lines have knocked down two of the area's

three major power lines and blocked hundreds of central and local highways.

No financial estimates of damage were given, but the extent of devastation cited by the People's Daily suggests the need for another large central government grant to salvage farmlands for the late summer harvest and shelter the flood's refugees.

Floods in Shanxi occurred just as the western province of Sichuan, which is China's biggest grain-producing region, began recovering from devastating rains in July and August that cost an officially estimated \$1.2 billion in direct economic losses.

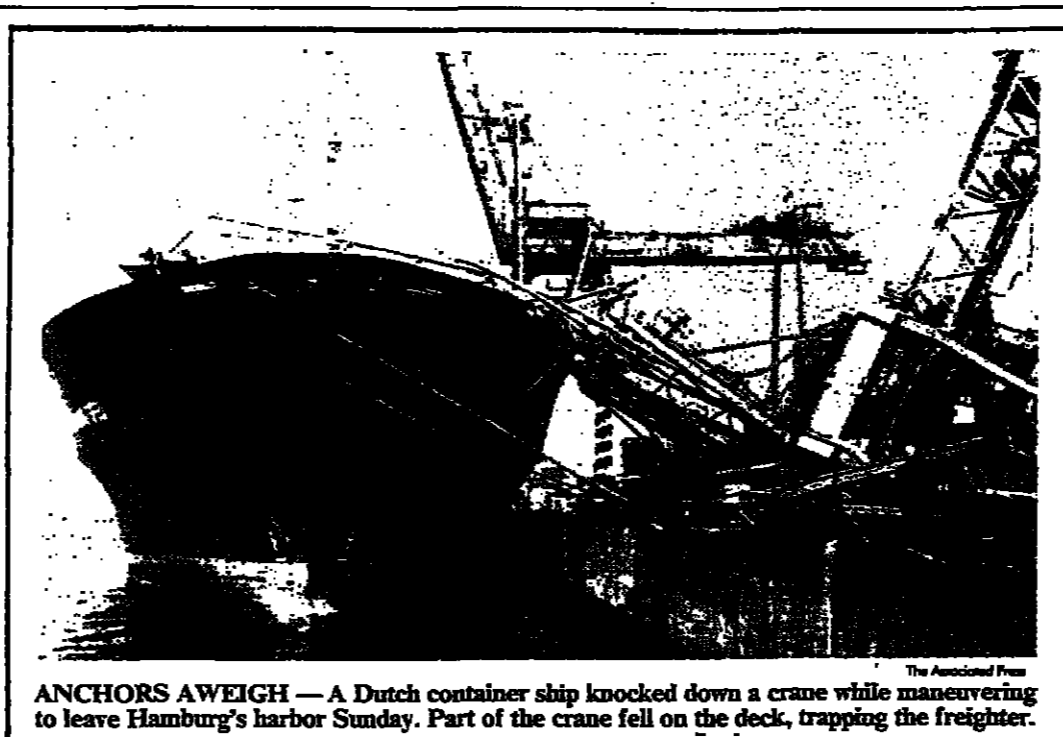
The Sichuan floods were said by official reports to have caused 920 deaths, left 1.5 million homeless and inundated more than 2 million acres of rich farmland. The storms also wiped out 2,600 factories, according to reports.

Heavy rains have caused serious damage in the northeast province of Liaoning this summer. In late July, 10 days of flash floods destroyed several hundred homes, cut rail links and waterlogged farms. There were no casualty estimates given.

Last week, a typhoon swept through the southeastern city of Shanghai, China's biggest city. The typhoon, named Agnes, flooded 55,000 acres of rice paddies and 13,000 acres of cotton fields, officials reported. Nine persons were reported killed and 20 injured.

With Chinese officials normally tight-lipped about natural disasters, it is difficult to obtain accurate estimates for the economic damage caused by the summerlong string of calamities.

China is still reeling from the devastating effects of flooding and drought last year in southern and northern provinces. The twin disasters cut grain production by 18 million tons last year, according to official estimates.



ANCHORS AWEIGH — A Dutch container ship knocked down a crane while maneuvering to leave Hamburg's harbor Sunday. Part of the crane fell on the deck, trapping the freighter.

Western Agents Troubled by Heroin Labs Sprouting on Pakistan's Afghan Border

By Michael T. Kaufman
New York Times Service
KARACHI, Pakistan — Western diplomats and law enforcement agents in Pakistan say that some of this country's officials are refusing to crack down on illegal laboratories producing heroin.

The bulk of the rising production, the foreign sources say, comes from ramshackle labs that have sprouted in the so-called tribal belt along the border with Afghanistan.

One Western drug expert says that there are about 20 such labs that can each produce up to 50 pounds (110 kilograms) of pure heroin a month. He said he had pinpointed two such plants to Pakistani narcotics agents, who told him that they were powerless to move in the region, which has been made more sensitive by the arrival of Afghan refugees and the fighting west of the Khyber Pass.

While aware of Pakistan's security problems, the Western sources say the lax controls, together with enormous profits, have induced local people to produce heroin for export to the United States and Europe rather than send raw opium or morphine to Europe, where processors would reap most of the profit as middlemen. Large-scale poppy cultivation for the illicit market has grown steadily, but the officials monitoring the trade say the shift toward heroin production marks a substantive and ominous change.

"Mostly it's a lot of independent free-lancers involved," said a law enforcement official who monitors the illicit flow. "Some have brought in European chemists, but refining poppy down to morphine and then down to injectible heroin No. 2 is something that any high school kid could do from written instructions."

Several Western diplomats sympathetic with the government's problems in the tribal area, where most of the nearly 2 million refugees from Afghanistan have sought sanctuary.

There are vast tracts in this region where Pakistani law does not extend. Tribal law dominates, and the Islamabad government is represented by a political agent.

Some of the dominant clans are believed to be involved in the drug business, and a Pakistani law enforcement agent acknowledged that any attempt to smash the trade in the region could have severe consequences.

Some Western diplomats say that in general the Pakistani government has tried conscientiously to curb narcotics exports. They point out that under President Mohammed Zia ul-Haq's regime the planting of poppies has been virtually outlawed, with almost no licenses granted for legal harvesting.

In three years the annual opium crop has dropped from 700 metric tons in 1979 to 125 metric tons in 1980 and a similar amount pro-

jected for this year. This is still a huge amount, since it is estimated that 150 metric tons will feed the habits of all the world's addicts for a year.

Other Western officials in Pakistan, including State Department agricultural specialists, believe that Pakistan's performance has been haphazard.

"Even if you concede that the government can't do much in the tribal areas, there is still a lot of poppies being grown in places like Dir and Lower Swat, where the government is fully in control," said Sam Samuelson, a United States diplomat who specializes in the problems of drug production in Pakistan.

One Pakistani official, who, like the foreigners, asked not to be identified, complained that the Pakistan Narcotics Control Board had no police powers.

Plans are being drawn up for new programs to stem the flow of drugs. The emphasis is on agricultural extension services aimed at showing farmers that they can earn almost as much money by raising crops as they can by growing poppies, with none of the same risks.

Some experts question that logic, saying that poppy cultivation now brings farmers 10 times as much as the next most profitable crop. The risks, they say, are minimal, since there are no reports of the government's burning fields or plowing them over.

More U.S. A-Workers Receiving Maximum Exposure to Radiation

By Joanne Omang
Washington Post Service
WASHINGTON — The number of nuclear power plant workers exposed to maximum radiation doses — and the accompanying risk of cancer — soared last year as the nation's atomic power plants underwent more repairs, alterations and maintenance than usual, according to an environmental group.

The Environmental Policy Institute, a nonprofit Washington-based research group, Thursday released a May 28 memorandum of the Nuclear Regulatory Commission radiation control section which stated that the 68 operating atomic power plants exposed their work forces to 35 percent more radiation last year than in 1979 even though there was only one new plant.

A record number of 80,200 workers were exposed to radiation last year compared to 64,073 in 1979. Average exposure was an all-time high of 791 person-rem per reactor, or 53,797 person-rem in total compared to 39,759 person-rem the year before. Person-rem measure the sum of all exposure to all workers, in the same way that work-years measure the total time put in by all workers.

The exposure rate has nearly quadrupled since 1969 when it was less than 200 person-rem per reactor. The Surry nuclear plant of the Virginia Electric and Power Co. had the second highest year of worker exposure among pressurized water reactors, emitting 1,900

person-rem, more than double the national average. The San Onofre, Calif., plant had the highest rate.

The policy group noted that the amount of radiation each individual worker receives has declined substantially since 1969, from 1.0 rem to 0.73 rem per year, well within the NRC's limit of 5 rem. But the total number of workers exposed to radiation has risen dramatically, from 145 at an average plant in 1969 to 1,010 last year, the study report stated.

This is because "nuclear plants have each 'used up' more and more radiation workers" as more get exposed to the maximum radiation regulations allowed early in the year and have to be replaced by other, often temporary, workers.

The institute said the findings are extremely serious in terms of the number of people exposed to radiation, given current research on the effects of low-level doses. The current level continues for 20 years it means three extra genetic defects per 100 births, the study said.

The findings also rebut yearly explanations from industry that "some particular problem at the reactor has been given a 'one-shot' fix and won't happen again," said Fred Miller of the institute.

"The exposure comes from increased radioactivity in permanent nuclear plant components," William E. Kreger, the NRC's assistant director for radiation protection, in whom the memo was directed, confirmed that assertion in part. "A slowly increasing amount of radiation inside the primary (reactor cooling) system was noted in the mid 1970s," he said.

Research traced it to corrosion materials, and new kinds of water chemistry are beginning to deal with the problem, he said.

"We now think it will not continue to build at this rate" and that 1980 and 1981 may be the peak exposure years, Mr. Kreger continued.

Three U.S. Servicemen Imprisoned in Turkey
The Associated Press
ANKARA — Three American servicemen at the NATO air base near the southern Turkish city of Adana have been imprisoned by authorities for handing out religious pamphlets, a U.S. Embassy source said Monday.

The three men were identified as Airmen Steven L. Varner, Stephen Glenn and Peter P. Pektas. The source said the three, all doing temporary duty at the Incirlik base, were handing out pamphlets dealing with the Bible. According to Turkey's secular laws public proselytizing is illegal.

Christy Brown Dies at 49; Irish Author Was Paralyzed
The Associated Press
PARBROOK, England — Crippled Irish author Christy Brown, 49, who typed best sellers with the toes of his left foot, choked to death Sunday night as he was being fed by his wife, Mary, at their home in this Somerset village in western England, his family said Monday.

Confined to a wheelchair and almost totally paralyzed since birth, Mr. Brown's first book was "My Left Foot," published in 1954, which told of his fight to conquer his disabilities.

The autobiographical novel "Down All the Days" described the poverty and violence of the Dublin slums in which he was brought up as one of 22 children. The work was translated into 14 languages.

His editor for 24 years, David Farrer, said Monday: "His courage was quite amazing. He went far beyond what doctors thought he could do."

OBITUARY
David Crawford
MANAMA, Bahrain (AP) — David Crawford, 53, Britain's ambassador to Bahrain, died at his residence in Bahrain Sunday — less than a month after taking up the post, the Foreign Office said.

Philip Welmer
ATLANTA (AP) — Philip Welmer, 94, a former chancellor of the University System of Georgia and former president of Oglethorpe University, died last Saturday.

Antonio Escoda
NEW YORK (AP) — Antonio Escoda, 51, who headed The Associated Press bureaus in Malaysia, Thailand and the Philippines during the 1960s, died Thursday of cancer. Mr. Escoda was the first Asian to head The Associated Press's Philippines news operation. He was born in Manila.

Adm. Harold A. Houser
WASHINGTON (WP) — Rear Adm. Harold A. Houser, 84, who commanded a service squadron and repair ships in the Pacific Theater in World War II and served as governor of American Samoa after the war, died here Thursday.

Frank J. Becker
NEW YORK (NYT) — Frank J. Becker, 82, a U.S. representative for Nassau County from 1953 to 1965, died Friday in Lynbrook, N.Y.

Raised Bin Hamid Al-Nasemi
ABU DHABI (AP) — Sheikh Raised Bin Hamid Al-Nasemi, 89, the ruler of the emirate of Ajman since 1928, died Sunday.

U.K. Chemical Plant Burns
MANCHESTER — One man died and two were injured, one seriously, in a fire at a chemical plant that forced 300 families to evacuate their homes early Monday.

Venezuelian Cancels Trip
CARACAS — Interior Minister Rafael Montes de Oca has canceled an official visit to France scheduled for the end of the month, according to an official statement.

Deaths
NEW YORK (NYT) — Bertram Leon Joseph, 66, an authority on Elizabethan acting and a professor of drama and theater in Britain and the United States, died Thursday in Glen Cove, N.Y., after suffering a heart attack.

Deaths
ATLANTA (AP) — Philip Welmer, 94, a former chancellor of the University System of Georgia and former president of Oglethorpe University, died last Saturday.

Deaths
NEW YORK (NYT) — Frank J. Becker, 82, a U.S. representative for Nassau County from 1953 to 1965, died Friday in Lynbrook, N.Y.

Deaths
ABU DHABI (AP) — Sheikh Raised Bin Hamid Al-Nasemi, 89, the ruler of the emirate of Ajman since 1928, died Sunday.

Deaths
MANCHESTER — One man died and two were injured, one seriously, in a fire at a chemical plant that forced 300 families to evacuate their homes early Monday.

Deaths
NEW YORK (NYT) — Frank J. Becker, 82, a U.S. representative for Nassau County from 1953 to 1965, died Friday in Lynbrook, N.Y.

Deaths
ABU DHABI (AP) — Sheikh Raised Bin Hamid Al-Nasemi, 89, the ruler of the emirate of Ajman since 1928, died Sunday.

Deaths
MANCHESTER — One man died and two were injured, one seriously, in a fire at a chemical plant that forced 300 families to evacuate their homes early Monday.

INTERNATIONAL EXECUTIVE OPPORTUNITIES

annonce parlée*
Entreprise française de prestations de services
3 000 personnes Contrats - Sécurité - Fiabilité
Cherchez l'International

ingénieurs béton armé
33 ans mini. ESTP. A.M. ou équivalent
Bilingues Français-Anglais

Responsable d'affaires internationales / **Adjoint au chef de centre Moyen-Orient**

Justifiant de 5 ans ou moins d'expérience
études et de charniers B.A. Il sera chargé de
missions essentiellement techniques. Réf. 1116

Avant de faire acte de candidature, prenez connaissance par téléphone du descriptif détaillé de cette offre conçu pour vous par SVP INFORMATION CARRIÈRE. Vous serez informé immédiatement en toute discrétion et notre rencontre s'en trouvera accélérée. Appelez le 763.11.15. Précisez la référence.

SVP Information Carrière
7 rue de Logelbach 75017 Paris.

EXECUTIVES AVAILABLE

ITALIAN LAWYER

40, qualified working experience, excellent cultural background with particular aptitude for public and press relations, fluent English, seeks position for travel, seeks job with international organization.
P.O. Box 952, Herald Tribune, 55 Via Della Mercede, Rome, Italy.

ANPE

L'Agence Nationale Pour l'Emploi
AGENCE SPECIALISEE
DES INGENIEURS ET CADRES
12, rue Blanche 75013 PARIS CEDEX 09
Tel. : 283.61.46. Ext. 71.
283.44.40. Ext. 42.

FILM TECHNICIAN, Honors graduate from University of Southern California (Master of Cinema). Experience in all motion picture formats, seeks position in camera or lighting. Ref. 162 - PARIS CADRES I/C2.

SALES MANAGER, 35, University graduate in Bus. Adm. Fully bilingual French/American & fluent German/Spanish. 9 years with some major U.S. consumer products multinational corporation 17 years Canada/U.S. (2 years France). Wide experience in selling, training motivating sales force, expert of new products launch & listings. Canadian citizenship. Seeks sales management position Paris & area based, will travel, no relocation. Ref. 162 - PARIS CADRES I/C2.

Chief Petroleum Engineer

Bahrain
The Bahrain National Oil Company is a dynamic and expanding organization and manages the Bahrain Government's interests in oil and gas production and petroleum engineering. Bahrain is a small independent state with a progressive, stable and liberal policy. The Company wishes to appoint a Chief Petroleum Engineer who will be responsible for leading a team of oil technical people involved in oil and gas exploration and production.

Candidates should be Graduate Engineers preferably in Petroleum Engineering and have at least 15 years of industry experience. They should have a thorough knowledge of oil exploration, production, drilling, geological/geophysical concepts and have the ability to evaluate economies of oil and gas.

A substantial tax free salary, free family accommodation, gratuity, generous leave, transport and education allowances, medical cover and other excellent benefits are offered. Interviews will be held in the United Kingdom shortly.

Send Resumé urgently to Tony Smith, PER OVERSEAS, 4/5 Grosvenor Place, London SW1X 7SS.

Operations Manager Paris

(Materials and EDP)
A leading American Corporation with an outstanding business record OPERATIONS MANAGER FOR ITS FRENCH DIVISION.

He will be responsible for systems - EDP, purchasing, inventory control, warehousing, distribution, customer service and after sales service. Candidates, ideally aged 30 - 40, should have a good experience in EDP and Materials Management. Must have exposure with a U.S. Company. French and English are required.

This is a position reporting directly to the Managing Director. Excellent and very attractive benefits, bonus scheme. Career prospects are outstandingly good. Applicants are invited to send their C.V. to No 7157, CONTEXTE Publicité 20, av. Oberkampf 75040 Paris Cedex 01, who will forward. Applications will remain fully confidential. We will contact all candidates.

SALES VICE-PRESIDENT FINANCE COMPANY

Multinational Finance Co. seeks senior sales executive to direct small sales force & to be active in pursuing industrial finance opportunities throughout Europe, Middle East & Far East. Applicants should have a strong background in banking/cross border leasing/trade finance and possess the ability to lead and train a small well qualified sales force. Multilingual capability is desirable. Remuneration is generous. Base location Switzerland. Please reply in confidence to Box D 1816 International Herald Tribune, 92521 Neuilly Cedex, France.

Cat Leukemia Vaccine Is Developed in U.S.

By Harry Nelson
Los Angeles Times Service
LOS ANGELES — Researchers at Ohio State University have developed a vaccine that they say will protect 80 to 90 percent of cats from leukemia, a major killer of the animals. The work that led to the vaccine is seen by researchers as having major application in developing leukemia vaccines for humans.

Before that can happen, however, it is necessary to identify and isolate the virus or viruses responsible for human leukemia — if indeed a virus does cause leukemia in people. Most scientists believe

viruses are at least one cause of human leukemias. But their efforts to identify and isolate the culprit so far have been futile.

New evidence pointing to the viral cause of one form of human leukemia was reported recently by Dr. Robert Gallo of the National Cancer Institute at a symposium at the University of California in Los Angeles sponsored by the Leukemia Society of America.

Dr. Gallo said he had isolated a virus in four human patients with a form of the disease called T-cell leukemia. He said the virus appears to be the same type that is already known to cause the disease in cats, dogs, cattle and a number of other animals.

T-cell leukemia is rare in the United States but much more frequent in other parts of the world, such as southwestern Japan, Dr. Gallo said. He was requested to comment on the possibility of developing a vaccine against T-cell leukemia.

One theoretical objection to using a viral vaccine against human leukemia has been concern over the possibility that a vaccine may cause, rather than combat, the disease.

That fear is based on the assumption that the vaccine would be made of dead or tamed viruses and that it may be difficult to prevent their genetic material from incorporating itself in the human cells and thus causing leukemia.

But the Ohio State cat leukemia vaccine is not made from viruses and contains no genetic material, according to Dr. Richard Olsen, the virologist credited with developing it. It is composed of excreted products of cat cells that have been grown in laboratory dishes and infected with the cat leukemia virus.

Dr. Olsen said he arrived at the method after years of experiments with vaccines made from all or part of the virus. Those did not work, he said. In fact, their use often resulted in the vaccinated cats

dying more quickly than cats that had not been vaccinated.

Dr. Olsen took the virus apart and found that a single protein on the surface of the virus was responsible for suppressing the cats' immune systems so severely that the cats could not fight infections and often died even before clinical symptoms of leukemia appeared.

The vaccine was patented early this year and the patent has been acquired by Norden Laboratories of Lincoln, Neb. If it is approved by government agencies, it will be the first commercially available leukemia vaccine for any animal, according to Dr. David S. Yohn, director of the Ohio State Comprehensive Cancer Center.

Dr. Yohn said the cat vaccine is an impetus to proceed along the same lines to produce a leukemia vaccine for cattle.

Journalist Wounded In 2d Indonesia Assault

United Press International
JAKARTA — Two assailants stabbed and seriously injured a journalist just two days after another reporter was killed in an acid attack, police said Monday.

Azmi Thalib, 30, a reporter from the domestic KNI news agency, was stabbed 23 times Thursday while he was waiting at a bus station in Medan, 900 miles (1,440 kilometers) northwest of Jakarta.

DEATH NOTICES

The Galactic Magesh SA regrets to announce the death of its President and Director General ABDE MARGHIT on September 5th, 1981, at Saint Paul (Alpes-Maritimes) France, at the age of 75. The funeral service will take place on Tuesday 8th September at 10 a.m. in the church of Saint Paul.

The Magesh Foundation regrets to announce the death of its founding President ABDE MARGHIT on September 5th, 1981, at Saint Paul (Alpes-Maritimes) France, at the age of 75. The funeral service will take place on Tuesday 8th September at 10 a.m. in the church of Saint Paul.

LES 2 MEILLEURES SOIREEES DE PARIS

NOUVELLE REVUE COCORICO ! / WATUSSI DANS FRENESIE

20h30 Diner dansant champagne et revue 295 F / 20h00 Diner dansant champagne et revue 295 F

22h30 Revue et 0h30 champagne 200 F / 22h00 Revue et 0h00 champagne 200 F

PRIX NETS/SERVICE COMPRIS / NORMANDIE 116 bis av. des Champs-Élysées 563 11 61 et agences / MONTMARTRE Place Blanche 606 00 19 75 82 et agences

CHANEL BOUTIQUE

Ready to wear accessories and shoes

31, RUE CAMBON - PARIS 1^{er}

Performing Arts

At Age 10, Kennedy Center Is Thriving in Washington

By Lon Tuck and Joseph McLellan

WASHINGTON — A few blocks away from the monuments to Washington, Lincoln and Jefferson — which have been until recently the best-known in the nation's capital — is the Kennedy Center for the Performing Arts — 10 years old today and reportedly the busiest national monument in the city and the third-busiest building.

About 1.5 million tickets are sold each year and an estimated 4 million to 5 million nonpaying tourists wander through to look at the flags, the white marble and the craggy bronze bust of the president who got the project rolling and gave it a focus by his death.

During its first 10 years, the Kennedy Center has seen moments of breathtaking artistic glory — for example, visits of the opera companies from Vienna, Berlin, Milan, Paris and Moscow. It also has plunged into depths of bathos — most recently in a production of "A Fartridge in a Pear Tree" that chairman Roger L. Stevens calls "in my opinion the worst production that we put on in the 10 years we've been here."

And controversy: In 1978, the center experienced two successive strikes — first by the Instant-Charge employees, whose picket line was honored by other union members, and then by the National Symphony, which saw conductor Mstislav Rostropovich marching in a picket line. The center's most prolonged agony was undoubtedly the leaky roof era, a long period beginning in 1977 when the Grand Foyer was buttressed with scaffolding to protect patrons from falling fragments of ceiling.

"Mass" and "Amie"

"We have made mistakes," admits a staff member, but what remain in the mind are the moments of glory. Besides the visiting productions, there have been such events as Leonard Bernstein's "Mass," which was written for the center's opening and has come back for its birthday.

Like "Mass," some theatrical pieces have become identified with the Kennedy Center — "Amie," for example, which started there and has played there repeatedly. The center owns a share of the show, now reportedly grossing \$1 million a week in five productions, contributing about \$1.5 million to the Kennedy Center's coffers.

The center has become a sort of home away from home for British playwright Tom Stoppard, whose plays usually make their U.S. debuts there and whose curious blend of music and theater, "Every Good Boy Deserves Favor," has had two runs there.

Before it was born, the Kennedy Center was an object of fear and loathing to many in Washington. "I never expected to see so many people who would not want it to happen. People were always telling me how it was going to be a white elephant," said Stevens, who has been associated with it for 20 years. In Congress, the project encountered a resistance to "culture" compounded by reluctance to spend money outside of one's home district.

The National Symphony Orchestra, liberated from Constitution Hall and finally able to bear itself play, has experienced a new growth and has attracted a conductor of the high international celebrity, Rostropovich, who might never have accepted it if it had not included access to the superb Concert Hall. The Washington Opera has been given one of the world's finest opera houses and is growing at an amazing pace.

The strongest impact of the Kennedy Center has been in dance. There have been regular seasons by American Ballet Theatre, and normally the New York City Ballet is an annual visitor. The new "Dance America" series highlights smaller groups from around the country. And there have been extended visits by almost every major international company.

The Kennedy Center has also become the home of the American Film Institute, with a lively program of film classics, special festivals and an occasional world premiere.

No small blessing to the Kennedy Center in its first 10 years was the American Bicentennial in 1976, the occasion for visits by many notable performing arts organizations of Europe. Now, the Kennedy Center marches resolutely into its second decade in a period of budget-cutting. There will be visits by foreign companies, but there is not likely to be another barrage such as that of the '70s.

In the last two years, there has been a shift of emphasis; the Kennedy Center has become a showcase more for U.S. than for international performers. Some staffers maintain that this is as it should be; in any case, it harmonizes with current economic conditions.

The Kennedy Center is currently facing a round of labor negotiations (chiefly with stagehands and members of its resident orchestra) that is expected to be difficult.

The center is also about to announce details of several major projects, including an acting company meant to give six plays in a 36-week season in the Eisenhower Theater, and a music and theater conservatory that will include badly needed extra parking and perhaps dormitory facilities or visiting companies.

Film

Travolta Rush Enlivens Venice Festival

By Thomas Quinn Curtis

VENICE — John Travolta received a demonstrative welcome of superstar proportions when he arrived of the single, out-of-competition showing of his new film, "Blow Out," at the Venice film festival.

The event came during a festival which, although still in a recuperative state, is secure again in its marble palace on Lido, where it is celebrating the 49th anniversary of its founding.

An impatient crowd of 5,000 broke through the police lines to stampede into the Lido palace for the midnight performance and to cheer the visit of the idol. In the morning he submitted to a grilling from the Italian press, to which he responded with assurance and a boyish grin.

"I'm ready for any role that looks right to me," he said. "It might be a musical or a drama. I don't want to be typed. I'd play a heavy if it offered me acting opportunities. A good film is forever, so why fear the future?"

It is a relatively safe bet that "Blow Out" is not for eternity. It is of the moment and for the moment, an action thriller that helter-skelters through Philadelphia during a celebration, with a fireworks display for its chase climax.

Travolta is called upon to be a sound engineer whose recording equipment registers a revolver shot that betrays a murder. He rescues a girl from a car that plunges into a river and as he and she know too much of clandestine political trickery they are hunted by a paid assassin. The star has no time to dance or sing, but his appealing personality prevails, his vehicle moves at top speed and contains proper quota of blood-curdling incidents that are "in" these days.

"Blow Out" is the third American film of the current festival; the others are "True Confessions" and "Cutters Way" — to have a politician's public image endangered by his relations with a prostitute. Assiduous imitation is politely referred to as "a trend" by movie manufacturers.

In "Cutters Way" a wealthy, influential Californian murders a prostitute and tosses her body into a trash can, while a fading gigolo who has witnessed this is arrested for the crime. Let temporarily loose he confers with his confidant, an alcoholic who has lost a leg, an eye and his mind in the Vietnam war and who has evidently been coached in gesticulation by Jerry Lewis. This disabled veteran advises the tracking down of the true culprit.

Ivan Passer, the exiled Czech director, who disclosed promise in his homeland, appears after two or three tries to be lost in Hollywood. He has retained his gift for atmospheric effects and guides Jeff Bridges as the suspect and Lisa Eichhorn as the drunkard's wife with some skill and subtlety, but the extravagant premise of the scenario and the obstreperous overacting of John Heard as the ex-soldier slip beyond his control.

"True Confessions," a U.S. entry directed by Uta Grobner, depicts the chicanery practiced by Catholic churchmen in high positions to cover up the inquest of a sordid murder case in order to protect an affluent layman generous in his contributions. The brother of a rising magnate is in charge of the investigation and his zeal causes his relative to be exiled on a lonely desert parish.

Robert De Niro is the priest whose career is cut short, Robert Duvall is the determined sleuth, Cyril Cusack is a tyrannical cardinal, Burgess Meredith another priest who displaces his superiors, while Charles Durning impersonates the vulgar millionaire who buys silence.

A Jack-the-Ripper slaying employed as the premise for this exposé of misused power among the clergy is inserted, one suspects, to provide box-office sensationalism, for it remains uninvolved and is not an issue of the theme itself. The film is competently acted and holds attention by its com-

manding performances rather than by its contrived plot.

Marco Ferreri's "Storie de Ordinaria Follia" ("Tales of Common Madness," and seen here in English) is a journey to the lowest depths, not in the objective Gorky manner but in the despairing, self-pitying hippie fashion of the 1960s. Thus, in content and approach it has a tired complexion and Ferreri has sought to enliven it with injections of eroticism.

Its protagonist is drawn from the biography of Charles Bukowski, an author of the Beat generation. A compulsive, convulsive alcoholic, a typical troubador of the era, he wanders aimlessly, spasmodically writing and giving recitals of his poetry. He is earnestly enacted by Ben Gazzara as a philosopher aware of the emptiness of everything, and Ornella Muti, an exquisite screen beauty, is the prize catch, a certainly imaginary Los Angeles prostitute so passionately enamored of the loquacious stumblebum that she cuts her throat. This dreary fable has a false ring, a drunkard's wish dream pictured as reality.

The French film, "Les Jeux de la Comtesse Dolgen de Granz" of Catherine Binet mingles three stories with constant intercutting which makes all of them incomprehensible. There are a few arresting scenes, but the picture is flawed by its grandiose ambitions and affectation.

Far more interesting is the Norwegian film, "Fortøvelsen" of Anja Breien, a study of witchcraft hysteria in a rural community of the 17th century. It moves too slowly, but it is commendably performed, intelligently staged and filled with magnificent photography of the fjord country.

The festival ring up its curtain Wednesday with a showing — of competition — of "They All Laughed," a freeful American farce, written and directed by Peter Bogdanovich, who is serving as a member of the jury.

Audrey Hepburn as an elegant married lady courted by a roughneck lothario of a detective (Ben Gazzara) is billed as the star, but she is little seen during the film's first half. Bogdanovich has seen fit to recount his romantic comedy as though it were a crime novel. What might be termed its main course is prefaced by a collection of side-dish incidents. Its initial hour leaves us in the dark as to what is actually happening.

This lengthy exposition wanders off into a secondary story of a young man's pursuit of an evasive blonde.

Audrey Hepburn flashes her personal magnetism as of old on her brief appearances, but against the confused background it is only heat lightning. Miklos Jancso was a choreographer previous to his staging of screen spectacles. As a director he is still a ballet master.

His films are a series of choreographic patterns which are less moving pictures than revolving pictures. His latest, "The Tyrant's Heart," unveiled here, is set in 15th-century Hungary. As far as can be fathomed, it has to do with a Hungarian-born youth reared in Italy who returns to his homeland with a commedia dell'arte troupe which enters into mock rehearsals of revenge tragedies overflowing with swordplay and technicolor gore.

Aside from its exotic decor, costuming and terpsichorean display, it is empty and wearying delirium, absolutely without intellectual or dramatic content.

The Italian film "Le Occasioni di Rose" (The Chance Moments of Rose) is to be its English title) is a would-be shocker that is more likely to bore than to startle. A million piece of Neapolitan low-life, it tells of a sometimes prostitute, her relatives and the men in her life. As it is done without relieving humor, the sluggish vicissitudes of its characters fail to capture either one's interest or sympathy. Salvatore Piscicelli is responsible for its writing and direction.

Archaeology

Athens School's Stoa Story Draws Government Fire

New York Times Service

ATHENS — The Greek government has protested to the American School of Classical Studies over its statement that it had discovered the famous painted stoa of Athens, a fifth-century B.C. building next to the ancient agora that served as a prominent center of art and intellectual thought in ancient Greece.

The government warned that legislation would be tightened and restrictions imposed on the school, which this year is celebrating its centennial in Greece, if it failed to consult with the Greek authorities on its activities.

Meeting Place

The painted stoa was a single-floor, column-lined public arcade built about 470 B.C. that once housed some of the most prominent murals of the ancient world. In the large cities of ancient Greece, the stoa stood next to the agora, or marketplace. Situated a few yards from the so-called royal stoa, where Socrates was sentenced to death in 399 B.C., the painted stoa was a meeting place for citizens and philosophers who used it for debate. It was here that the Cypriot philosopher, Zeno of Citium, gathered with his students about 300 B.C., his school of thought becoming known as "stoic philosophy."

Foreign Reports

The Greek reaction followed reports in foreign newspapers two weeks ago of the find by Prof. T. Leslie Shear of Princeton University, the director of the agora excavations. Over the past 50 years the school's archaeologists have unearthed much of ancient Athens.

Culture Ministry sources said that the professor's move was "unprecedented and unforgivable," and that the Greeks were even considering demanding his expulsion since, they said, he hid his findings from the Greek authorities and did not consult them before publicizing the find.

Shear denied that he had deliberately intended to circumvent the Greek authorities. He said that it was "just a case of the foreign press getting a scoop," when reporters telephoned him and obtained confirmation on the results of the year-long dig.

Scientific Doubts Seen

Greek authorities said they suspected that Shear chose to publicize his find in hopes of attracting financial support from U.S. institutions for the money needed to continue the excavation. They also said that he was too hasty in unreservedly claiming to have found the stoa, and that scientific doubts remained.

The U.S. scholar dismissed such doubts. "The chronology of the building, all the artifacts and material evidence, and the historic de-

AUTHORS WANTED BY N.Y. PUBLISHER

Leading world book publisher seeks manuscripts of all types: fiction, non-fiction, poetry and religious works, etc. New authors welcome. Send for booklet: 683 VAN NY ST. Phone: 516 W 34 St., New York, N.Y. 10001, U.S.A.

LOTO INTERNATIONAL

invites you to participate in the top lottery in Europe with a first prize equivalent to over

£ 1,000,000

per week and other fabulous prizes totalling over

£ 6,000,000

per week. The draws are weekly and payment is made two days after each draw. The tickets both weekly and monthly cost from £2 to £45 each and payment can be made in any convertible currency. We offer a unique personal service and complete discretion at all times. Free details of how to participate in English or French will be posted to you on request. Our address is

B.P. 69, 01220 Divonne-les-Bains, FRANCE.

ADVERTISEMENT

International Restaurant Guide

FRANCE

PARIS - RIGHT BANK

- GOLDENBERG JO 71, rue de Valenciennes, 278-29-09. Daily. Lunch. Sandwiches, pastries, salons, salsons, chopped liver, etc. Open till 1 a.m. Air-conditioned.
L'EUROPEEN Facing Gare de Lyon, 343-99-70. Daily from 11 a.m. to 2 a.m. Oysters, sautebrais, TRADITIONAL CUISINE.
LE LOUIS XIV 8, bd. St. Denis (10th), 208-56-56, 200-19-90. Lunch, dinner, supper after midnight, oysters, seafood, shellfish, grill-room, games. Closed Mon. & Tues.
LA MERE CATHERINE 6, place du Terreo, 606-32-69 (18th). The chef welcomes you till midnight. Traditional cuisine. Varied menu.
MOISSON DU CIEL 1 rue Quincampoix (Beaubourg) 272-27-55. Daily. Refined Vietnamese specialties. All credit cards accepted.
LE PETIT RICHE 75 Le Peloteux, 770-48-88. Closed Sun, Lunch, dinner, 7 p.m. to 12.5 a.m. 1880-style bistro. Traditional cuisine. Approx. Fr. 11.5.
TSE YANG New, 25 Av. Pierre-M^e de Serbie, 720-68-02 - 70-22. Chic gourmet meeting place. Chinese cooking. Private reception rooms.

PARIS - LEFT BANK

- ASSIETTE AU BEURRE 11 Rue St. Sulpice/Pl. St. Germain-des-Prs, 260-87-41. Menu of fr. 35.50 & fr. 68.40. Daily till midnight.
LA PETITE CHAISE 26 Rue de Gramont, 222-13-35. Menu fr. 52. Refined cuisine. Historic setting. Open daily until 11 p.m. Warm atmosphere.

GREECE

- ATHENS/PSYCHICO

- DIOSCURI 16, D. Vassilou, Neo Psychiko (4 km. north of Hilion). Greek food, charcoal grill, fish, taverna. Daily 6.15 p.m.-2 a.m. Closed Sun. Tel. 6713777.

SWITZERLAND

- PULLY - LAUSANNE

- AU VIEUX CAVEAU Elegant dining in charming old Swiss atmosphere; bar & dancing. 11, Rue de la Gare, Pully, 021/28 27 47.

HOLLAND

- AMSTERDAM - SCHIPHOL

- SHERATON SCHIPHOL INN offers you an excellent Lunch Buffet in Restaurant The Brasserie for Dfls. 22.50 from Mon. to Fri. (12 - 3 p.m.). Free shuttle service to and from the Airport. Tel.: 02503-15851. Telex: 41646.

THE ORIENT
And now Korean flies you to Seoul and beyond five times a week.
Seoul is the new "Gateway to the Orient". From there you can catch convenient connecting flights to everywhere in Asia. And you avoid having to change at Tokyo's crowded Narita Airport.
Korean now flies you to Seoul three times a week from Paris and twice from Zurich.
Fly First Class on our 747s and you'll enjoy the all-leather luxury of our new Dreamerette seats, which recline to an ultra-comfortable 60 degrees. Ideal for sleeping. And we don't charge extra for them.
On Executive Service you'll experience priority First Class check-in, a special quiet seating area, and the very best in food and drink. All for the full Economy fare.
Try Korean the next time you're flying to the Orient. You'll find we treat you as an honoured guest.
KOREAN AIR LINES
We treat you as an honoured guest.

WHEN YOU MAKE THE FOLKS BACK HOME WANT TO BE IN YOUR SHOES, SAVE SOME DUTCH GUILDERS ON THE CALL.
Who wouldn't want to be in your shoes? Especially when those feet will be taking you to the famous cheese markets, flower auctions, gorgeous canals, windmills, and a Van Gogh or two. So share it all with your family and friends back home. But before you make that call, here are some guilder-saving tips.
SAVE ON SURCHARGES
Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!
There are other ways to save money.
SAVE WITH A SHORTIE
In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call-back from the States with dollars, not local currency, when you get your next home or office phone bill.
SAVE THESE OTHER WAYS
Telephone Company credit card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.
SAVE NIGHTS & WEEKENDS
Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.
Now that you've learned to walk on wood, you've saved a little shoe leather. And now that you've learned the calling tips, you'll find it easy to foot the phone bill.
Bell System

Reach out and touch someone

Crackdown in Egypt

What's going on in Egypt? More than 1,500 persons have been arrested, including one of Egypt's best known political and journalistic figures, Mohammed Hassanein Heikal. The state has withdrawn its recognition of the pope of the Coptic Church. Thirteen political and religious groups have been dissolved. Seven publications have been banned. And a group of journalists and professors have been transferred to other jobs. Aside from these obvious facts, it's not entirely clear. Trying to read the mind or intuit the designs of a leader as original as Anwar Sadat is rewarding only for those who get their kicks by betting on long shots.

Yet all of the above has happened, nominally to lay to rest continuous rumblings of social, political and religious unrest. The unrest is real enough. Moslems continue to clash with Copts and leftists and Islamic fundamentalists challenge President Sadat on a variety of domestic and foreign policy grounds. Mr. Sadat has tried to pacify the various groups — especially the Moslems — with such gestures as making Sharia (Islamic law) the fount of all Egyptian legislation. He has also used referendums frequently to demonstrate that his sometimes less than perfectly democratic moves have widespread popular support. He has never failed to win more than 95 percent approval in each of these tests and he probably can be expected to be about that successful again when a referendum is held to ratify the current crackdown.

But why now? And is the response in proportion to the threat? There are several possible avenues of speculation. One is that the Moslem fundamentalists represent a greater danger than is generally recognized. If that is so, it is probably because of the Islamic associations of students and other young people,

whose philosophy is similar to the doctrine of Islam practiced by the followers of the Ayatollah Khomeini in Iran. The simplistic appeal of these groups, as opposed to the somewhat more intellectual Moslem Brotherhood, combined with the clever grassroots politics they practice, could be seen by President Sadat as a possible basis for a fast-growing revolutionary movement.

Another possibility is that the Egyptian president is trying to eliminate those who dissent from his Israeli policy. There is much opposition to the Camp David process in Egypt, despite the fact that it is enabling Cairo to regain all of the territory it lost in the Six-Day War of 1967. The breadth of the crackdown, with its religious and social as well as political dimensions, could be primarily a cover. Or perhaps, Mr. Sadat has in mind some combination of the two.

It is not absolutely clear whether President Sadat is exhibiting strength or weakness with the mass arrests and other actions. The consensus has been that he had the situation under control. The crackdown could raise some questions about that. It also calls attention to the fact that Mr. Sadat is a dictator as well as a statesman, and that Egypt is not quite as stable politically as it sometimes seems.

Mr. Sadat is a gambler, but a clever one. Judging from the mild reaction in Egypt, he prepared the ground carefully before he acted. And in his speech Saturday, he deftly identified the opposition with two of Egypt's biggest foreign enemies — Ayatollah Khomeini and the Libyan dictator Moammar Qadhafi. It may not be a sure bet exactly what Mr. Sadat's game is, but a smart hand-capper would probably give him a good shot at winning.

INTERNATIONAL HERALD TRIBUNE.

True Grit With Mr. Begin

When Menachem Begin meets for the first time this week with President Reagan, he may well encounter a void. The Israeli visitor's hard-line views are scarcely a secret; he advertises them in every available forum. But after eight months in office, Ronald Reagan's Middle East policy is still imponderable.

Will the president settle slackly for continued piecemeal improvisation? Or does he have the grit, deftness and bargaining cunning to use the considerable leverage of the United States for peace?

It's not that his administration has failed to act. A determined U.S. effort did indeed damp down the flames in Lebanon. Washington held to principle by censuring Israel for its raids on Baghdad and Beirut — and by holding up delivery of planes. What is grievously absent is a plan, a mosaic into which to fit the bits and pieces; that is, a policy.

For all his acts of firmness, why has Mr. Reagan yielded so limply to the Pentagon-promoted scheme to supply Saudi Arabia with AWACS planes and other fancy hardware? Empty talk of a "strategic consensus" doesn't explain giving so much for so little. Countering Soviet ambitions is indeed a concern shared by Israel and Arab oil potentates. But all else, three years after Camp David, is discarded.

The Camp David accords were in part a

swap: Israel yielded territory for peace, and by next April all of the Sinai will return to Egypt. But what about a second promise made to President Sadat? Since 1967, Israel has been the occupying master of 1.3 million Palestinians. Though Mr. Begin has pledged self-rule short of statehood, the Palestinians don't believe him. And without their collaboration, the autonomy talks to resume this month will be barren.

Israel's security fears are real, and President Reagan again has to dispel any doubts about U.S. support for a beleaguered ally. A fearful Israel is an inflexible Israel, and Mr. Begin will make the most of his country's anxiety about the AWACS planes deal and arms embargo.

But guaranteeing Israel's security is not the same as underwriting an annexation of the West Bank, or use of U.S. warplanes for provocative raids. The distinction is crucial. Americans, too, have anxieties, and high among them is the fear that Israel is needlessly isolating itself by ever-bolder reprisals. Without a genuine grant of political rights to the West Bank Palestinians, Israel plays into terrorist hands and puts in question its own good faith as a bargaining partner.

It would be good if Mr. Reagan said as much, in plain words, to Mr. Begin. It would at least be the beginning of a policy.

THE NEW YORK TIMES.

Warming Up

Scientists have agreed for some time that the amount of carbon dioxide in the atmosphere has increased over the last century, and there is a general consensus that the current concentration is likely to double sometime during the next century. What has been uncertain is whether this increase, caused largely by the burning of fossil fuels, would cause the global warming known as the greenhouse effect, and how large the effect would be.

An important new contribution, by a team of NASA atmospheric physicists, now concludes that the carbon dioxide is causing a warming, one large enough to have very unfavorable consequences in the next century.

The prediction is that the mean global temperature will increase by 1 to 4.5 degrees centigrade by the end of the coming century. Which end of this range would be reached will depend largely on future energy growth. The low figure is premised on zero energy growth with depleted oil and gas resources being replaced by nonfossil fuels (including nuclear energy, hydroelectric power and others that do not add carbon dioxide to the atmosphere). A more likely, middle-range estimate — a 2.5-degree warming — is based on the prospect of slow energy growth, with oil and gas being replaced equally by synthetic fossil fuels and nonfossil fuels.

What would the oil effects be? Two and a half degrees (equivalent to 4.5 degrees Fahrenheit) doesn't sound like very much. But these are among the possible — though

still uncertain — results. Precipitation patterns would shift, creating a hot, dry climate in the western two-thirds of the United States and Canada, now the world's bread basket. If the model is correct, the drought of last summer "may be typical" of next century's weather. The West Antarctic ice sheet is likely to melt, causing a sea level rise of about 16 feet, flooding 25 percent of Louisiana and Florida and 10 percent of New Jersey. Melting polar ice would open up the long-sought Northwest passage, the target of explorers since Verrazano.

Astonishingly, this 2.5-degree increase in the space of a century is a warming of "almost unprecedented magnitude" in the planet's long history. It would mean a world temperature that would "approach the warmth of the Mesozoic, the age of dinosaurs."

There are still many hedges to these findings, and much research that must be done before they are confirmed. The authors predict, however, that the warming will be clearly measurable — over and above normal climate variations — by the 1990s, and perhaps even in this decade. Since the amount of warming depends most strongly on energy growth and the type of fuels used, and since it takes decades and billions of dollars to make major shifts in energy use, it is not too soon to begin thinking seriously about how carbon dioxide should affect U.S. energy choices now.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago
September 8, 1906

LONDON — The fact that the automobile may be of immense service in the distribution of letters is at last being recognized by the British government, and arrangements are being made for the acquisition of a number of automobile vans. Already a service is in operation between Manchester and Liverpool, and there is another between London and Brighton. The advantage of these automobile delivery services is seen mostly at night. In the provinces, few trains run between midnight and early morning, and it is at this moment that the automobile steps in and enables overnight letters to be distributed early next morning.

Fifty Years Ago
September 8, 1931

LONDON — With Parliament reassembling tomorrow, six weeks ahead of schedule, in order to pass emergency legislation to balance the budget, the opening of the annual session of the Trade Union Congress at Bristol today served to confirm the impression as to the stand that this important section of the Labor party will take in opposing the national government's program. Arthur Hayday, MP, president of the Trade Union, made it plain that British and international bankers are to figure as villains in Labor arguments, and that, as anticipated, the Laborites will make their chief play on the so-called "dictation" brought to bear by financiers.



The Poorest of the Poor

By Flora Lewis

PARIS — The way development problems have evolved and perceptions changed in the last decade is reflected in the current United Nations conference here.

It is focused on development dropouts. They are the 31 "poorest of the poor" countries, measured by per-capita income, illiteracy and local production. Their total population is 268 million, more than the United States. But except for Bangladesh and Ethiopia, only five come near the population of New York State and the rest have fewer people each than Philadelphia. Many are landlocked, with little strategic or economic importance, which helps explain why they've been largely overlooked in the scramble for material progress.

The poorest could not absorb large investments even if they were available. Impressive evidence has accumulated to show that just keeping them alive with food handouts actually makes them worse off.

Poignant Problem
So some new approaches to the poignant and dangerous human problem are emerging. In many ways they parallel the lessons of welfare in industrial countries. Just sharing out existing wealth doesn't help much or do lasting good. Sharing the capacity to produce wealth is the key, and that is immensely more complex than the dole.

The emphasis here is on collecting seed money to help the poorest work out development strategies so they can use better and waste less of what is available. That means organizing their own planning and economic institutions to request and spend aid.

The obstacles aren't all of their own making, nor only due to smug selfishness among the rich. Political and bureaucratic vested interests have grown with the very idea of aid to the poor, and they tend to block the way.

Robert S. McNamara, near the end of his long and dedicated leadership of the World Bank, firmly concluded that the "trickle-down" theory is a myth. That's a neat insight because it would eventually spread around as all wrong. He found best results came from helping farmers, improving health and educating women — crucial to containing the population explosion.

World Bureaucracy
But the tremendous international bureaucracy that makes big projects doesn't like cutting back on administration or giving more responsibility to clients. It needs to be pushed.

As a metaphor for recognizing enlightened self-interest by creating purchasing power in potential markets, a Marshall Plan for the Third World makes sense. However, most of the conditions that made postwar U.S. aid to Europe desirable don't exist.

But one Marshall Plan idea can help the fragmented, disorganized world that remains from the rubble of empires: it is the test of mutual contribution. If each European country had spent the money on its own most pressing needs, most of it would probably have gone for housing and transport.

Instead, a requirement of cooperation brought an emphasis on "western" German coal, which got French steel mills working and so on, multiplying the effect and stimulating trade. Finicky pride of sovereignty makes this harder in the Third World, but more region-

al schemes are urgent. Northern Nigeria, for example, could make up all of West Africa's food deficit if oil-rich Nigeria weren't plunging so hard for big industry.

U.S. policy now is to make the test more political, reinforcing rivalries among states. In his speech on Africa last week, Chester Crocker, assistant secretary of state, said U.S. aid would be "targeted where our interests are most clearly manifest and focused more to produce policy changes of broad and lasting impact."

Another block to more effective aid comes from a combination of farm politics and simple charity. Food production per person has dropped in 60 developing countries in the last decade, and in many of these it has gone down absolutely.

There has been too much reliance on food aid, too little incentive to grow more. That spells disaster ahead, both for poor countries and eventually for the United States, which is being stimulated to draw down its water and soil resources to swell food exports.

Alain Vidal-Naquet, senior adviser to the head of the World Food Council, points out that many millions of refugees, Afghans in Pakistan, Cambodians in Thailand, Somalis and others are learning to live on aid and may never go back to working the land.

But where production has been stressed there have been some startling improvements. India became a net grain exporter in 1979 with a stockpile system to insure against recurring famines. That's a neat miracle, provoked when food aid dwindled and techniques were improved.

Letters

View on Hijacking

The Reagan administration's urging of Western governments to cut civilian air links with Afghanistan (HT Sept. 1) for its refusal to extradite hijackers to Pakistan is another example of its simplistic approach to global problems. Two hijackers were recently hijacked to West Berlin. In both cases the perpetrators were taken into custody and the hostages returned to Poland. Such incidents are popularly regarded as "rights to freedom"; the hijackers are not extradited but released after a few years in prison.

If the Reagan administration were sincere in its opposition to terrorism it would apply pressure on all governments giving refuge to those jeopardizing the lives of innocent people for political purposes. In simping out the Afghan government for ensuring it demonstrates its opposition to terrorism to be partisan and thus meaningless.

EUGENE HOLMAN,
Kerava, Finland.

Rushing to Disaster

Re the article by Philip Geyelin "Erosion of the U.S. Position on El Salvador" (HT, Sept. 4):

It is sad for those of us who find so much to admire in the United States to see it rushing headlong toward disaster in Central America now, just as it did with Cuba over 20 years ago. To blame all the unrest in these almost neo-federal countries on malevolent outside meddling is an over-simplification which would be pathetic if it were not so dangerous.

I agree with Mr. Geyelin that

Compassion requires large doses of direct help at times. But it is becoming ever clearer that the medieval idea of charity to earn grace or dispel guilt, and the mercantile idea of exporting as much produce as possible, won't ease the problems of the poorest. The emphasis must be more and more precisely on helping people to help themselves and ensuring more stable prices for the fruits of labor when they do.

©1981, The New York Times.

Reagan's Economics: Worry Replaces Hope

By Anthony Lewis

BOSTON — Barely a month ago President Reagan was being hailed as the creator of an economic revolution. He had bent Congress to his will on a radically reshaped budget and on massive tax cuts. Pundits wrote of a transformation in national economic policy, a new formula for higher growth and lower inflation; they foresaw a change as lasting as the New Deal.

He faded those images already seen. Instead of hope, the dominant economic mood now is worry. The Dow-Jones Average has fallen to a 15-month low; Wall Street and business are crying havoc. The talk is not of novel solutions but of old problems: high interest rates, low growth, the inflationary threat. Sadness has triumphed over alarm, and the happy summer of the Reagan economic miracle.

Political Threat

The political threat to the president has quickly been noted. The polls, while showing steady admiration for Reagan the man, are turning sour on his economics. And administration efforts to calm Wall Street by cutting the budget further are bound to offend important interests either on the domestic side or in the Reagan constituency of believers in vast defense spending.

But the politics of the situation, however intriguing, matter less than the substance. For what is happening amounts to an admission that the great new economic theory underlining the whole Reagan program is flawed. Indeed, there may never have been anything there. When Arthur Laffer drew a curve on a tablecloth in Southern California, he was not depicting the philosopher's stone.

Professor Laffer is a totem of supply-side economics. That school argues that we need to be more productive. To that end we must cut taxes, increasing individual incentive and stimulating investment. Higher investment will mean greater production, more jobs and — incidentally — more tax revenue for government. The Laffer curve, supposedly drawn free-hand during a dinner conversation, shows how lower taxes should bring in more money.

The proposition that the United States should be more productive is unarguable.

Sharp Tax Cuts

But the simplicities of supply-side economics will not get us from here to there. So a good many capitalist admirers of Mr. Reagan have evidently concluded.

The sharp cuts in tax rates, especially on higher-bracket incomes and capital gains and inheritance, certainly show no sign so far of stimulating investment. The notable financing ventures of this summer have been not in new enterprises but in giant mergers,

with no prospect of creating new jobs.

The administration had predicted that the economy would start growing again this fall and move into years of exuberant growth. Now that talk has been pretty well abandoned. Alan Greenspan, the conservative economist who has been a key private adviser to the president, said last week: "Our forecast is that this economy is dead flat into the spring."

The reason for the trouble, according to administration spokesmen, is the high interest rates maintained by the Federal Reserve Board. Mr. Reagan himself, sounding just like other presidents all the way back to Harry Truman, said he was not to blame because the Board was independent and followed its own line.

But what the Federal Reserve has done could hardly have been a surprise to Reagan or his economic advisers. Its chairman, Paul Volcker, told Congress explicitly last spring that the Fed would keep money tight in order to fight inflation if the administration had no other effective anti-inflationary policy. And it was clear then, as it is now, that the administration had none.

What Mr. Reagan did to the federal budget was in fact a recipe for inflation: cut domestic programs but at the same time start large and continuing increases in defense spending — and cut federal taxes drastically. Anyone with any sense knew that the result had to be higher budget deficits, not the balanced budget that the president promised. And already the familiar refrain of slipping budget projections is being heard.

And so, in default of a credible Reagan alternative, the policy that dominates the economy is monetarism. Interest rates are high, and the inevitable price is being paid in depressed economic activity: failing businesses, distressed housing, a savings-and-loan industry that Mr. Greenspan said with brutal candor can hold together only another six months unless the policy changes.

Push Hard

In short, the United States is getting a taste of Margaret Thatcher's Britain. And businessmen, not surprisingly, are unenthusiastic. They do not believe in Prof. Laffer's budget miracles. They do not believe that the hard old choices between growth and inflation can be wished away.

If Wall Street and the country's business and financial people are as skeptical as they now seem, the interesting question is why they pushed so hard for the Reagan tax bill. They bombarded members of Congress with messages suggesting that its passage was a matter of economic life and death. Could it be that they really just liked the idea of paying lower taxes?

©1981, The New York Times.

Moscow's Un-Fair

By Robert L. Bernstein

NEW YORK — The Soviet Union has been playing host to the Third Moscow International Book Fair, but as far as U.S. book publishers are concerned, the Moscow Book Fair is dead.

U.S. publishers have lost interest, and the Soviet government has only itself to blame. The reason is simple. If you want to hold an international event, you must make it attractive to the guests. The Moscow Book Fair is no longer attractive to business people and certainly not to people who care about ideas — the two conditions essential for success.

Before the first Moscow Fair in 1977, there was a considerable dispute among U.S. publishers about whether to attend. Some opposed participation because of extensive censorship and abuse of writers. Others argued that support for the fair would increase the possibilities

for the free exchange of ideas between the United States and the Soviet Union. Our position as American House was to attend the fair only if we would guarantee its censorship rules. When the Soviet Union refused to explain the cryptic summary in the fair's rule book, Random House decided not to attend.

Change in 1979

In 1979 we changed our position, joining other U.S. publishers in a concentrated effort to try to make the fair a success. The Soviet Union has unique cultural and literary resources. We shipped to Moscow the same broad selection of books that we send to Frankfurt or to any other serious cultural fair. In addition, the Association of American Publishers sponsored

"America Through American Eyes," a unique exhibit of books depicting life in the United States, with all its strengths and weaknesses.

The result, however, was disappointing: increased censorship, coupled with a new element — the denial of visas to U.S. publishers whose authors included dissident Soviet writers or who had had views on publishing that annoyed the Soviet government. My visa was issued, then withdrawn the day before my scheduled departure. Carl and Ellen De Fretter of Ardis, the leading publisher of Soviet authors in both Russian and English, were also denied visas. And shortly thereafter, the Soviet Union denied the visa of Winthrop Knowlton, chairman of Harper & Row, publishers of Alexander I. Solzhenitsyn.

Since the 1979 Book Fair, the Soviet government has been alarmingly active in exiling and imprisoning prominent authors, much

more active than at any time in the last century. Anatoly Marchenko, who has served 15 years in labor camps, has just been sentenced to 10 years in a strict-regime labor camp and 5 years internal exile.

Among those sentenced last year were Vyacheslav Chernov, 5 years labor camp, 4 months internal exile; Viktor Nekipelov, 7 years labor camp, 5 years internal exile. And perhaps most notorious, 1980 was the year that Andrei D. Sakharov was banished to Gorki. In addition, the many writers who have been forced into exile abroad this year include Vasily Aksyonov, Philip Berman, Lev Kopelev and Vladimir Voinovich.

It is monstrous irony that the Soviet government has signed the Universal Declaration of Human Rights and that Leonid I. Brezhnev has signed the Helsinki Final Act, both of which guarantee the basic natural and inalienable rights of all peoples, including the fundamental right of free expression.

Potenkin Village

The Soviet government has made its book fair a Potemkin Village, a ludicrous event. In so doing, it has placed itself in a position clearly apart from the company of civilized nations.

Robert L. Bernstein is chairman and president of Random House and chairman of the U.S. Helsinki Watch Committee. This article was written for The New York Times.

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request anonymity. Letters may be abridged. We are unable to acknowledge all letters, but value the views of readers who submit them.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

Lee W. Husebner
Philip M. Foisie
Walter N. Wells
Robert K. McCabe
Stephen Klaidman

Publisher
Executive Editor
Editor
Deputy Editor
Chief Editorial Writer

Roland Pinson
René Boddy
Francis Desmousses
Richard H. Morgan

Associate Publisher
Director of Finance
Director of Circulation
Director of Advertising

1980

BUSINESS NEWS BRIEFS

E.F. Hutton Looks Again at Gene Splicing

NEW YORK — E.F. Hutton, which canceled a proposal to start a genetic engineering company, DNA Science Inc., in conjunction with Israel's prestigious Weizmann Institute, says it is reactivating its plan by setting up limited partnerships with a tax-shelter feature.

Technip Wins Share of Saudi Plant

PARIS — Technip said Monday it won a share in a contract worth more than \$1 billion to build an oil refinery for Petrotrin and the Royal Dutch-Shell Group at Al Jubail in eastern Saudi Arabia.

Citicorp, 3 Others Win Kenya Eurocredit

LONDON — Citicorp International Bank said Monday it and three other banks have been awarded the mandate to raise Kenya's \$100-million, eight-year Eurocredit.

Kubota Forms Joint Venture in Saudi Arabia

TOKYO — Kubota said Monday it had established a joint company in Riyadh called Arabian Ductile Iron Pipes to manufacture and market ductile iron pipes beginning in 1983.

China Accepts Japan's Deal On Resumption of 2 Plants

PEKING — China has accepted in principle a take-it-or-leave-it offer by Japan of a 300 billion yen (\$1.3 billion) credit to help resume construction of two industrial plants suspended last January, Japanese diplomatic sources said Monday.

Japan Tries to Expand Success in Computers

TOKYO — At every turn here, one confronts overwhelming evidence that Japan, more than any other nation, has embraced advanced electronic computer technology as a way to improve industrial productivity, save energy and, in theory, make day-to-day life more convenient, enriching and entertaining.

The influence of such technology is apparent in hundreds of small ways. In the Asahi Shimbun building, home of the leading Japanese newspaper, venetian blinds rise and fall at the whim of an early-morning computer. In the Hotel Okura, a visitor does not have to request a wake-up call because a soft beep can be ordered for any time by punching a few buttons on an electronic bedside console.

To expand its success in electronics, Japan hopes to do what it has not yet done: come up with new basic technology on its own, rather than just embellish the computer technology developed by other nations, the United States in particular.

The market-oriented Japanese approach to electronic research has led Japan's trading partners to accuse it of being a free rider in one technological area.

Development of a supercomputer that would be more than 40 times faster than the best now available.

Basic work on a "fifth-generation" computer that could follow oral commands as well as solve problems nobody told it to tackle — a capacity known as "artificial intelligence."

Development of new, sophisticated semiconductor devices.

The prospect of Japan's forging ahead in computer manufacturing, a sector where the United States still claims supremacy, is worrying U.S. executives and government officials. They see the possibility of a challenge to the industry's giant, International Business Machines.



Hans Matthöfer

Lower Rates Are Feasible To Matthöfer

FRANKFURT — West German Finance Minister Hans Matthöfer said Monday he considers a cut in West German interest rates "quite feasible" but gave no forecast on the timing of any such move.

In a radio interview, he said the economy is showing some favorable signs at present.

He said that the development of exports in July was excellent and that the country's balance of payments will be improved if export increases continue.

Mr. Matthöfer said this could lead to a weaker dollar and a stronger Deutsche mark, as seen in the last few weeks, and possibly to capital inflows, which in turn could produce a reduction in West German interest rates.

Making a prediction of its own Monday, Westdeutsche Landesbank Girozentrale said the mark will be revalued against the dollar and European Monetary System currencies, possibly toward the end of this year.

In its latest economic report, the bank said that an upward adjustment of the West German currency would in any case take place in 1982.

The strengthening of the mark will reflect the sharp reduction of the current-account deficit, which could be below 10 billion DM in 1982 after a shortfall of about 25 billion DM this year, West LB said.

Malaysian Firm in Lightning Bid Takes Majority Stake in Guthrie

LONDON — A takeover battle for Guthrie Corp. that one company waged for months without success was fought and won by another in a few hours Monday.

Permodalan Nasional Berhad, a Malaysian government investment body, Monday snapped up almost 8 million shares of Guthrie in less than four hours to take over the company, which has major plantation holdings in Southeast Asia.

That contrasted to the two-year fight that Sime Darby Holdings, Southeast Asia's largest publicly quoted company, had waged in an attempt to acquire Guthrie.

Stockbrokers Rowe and Pitman bought about 5 percent of Guthrie's shares in 10 minutes at the London stock exchange opened Monday. N.M. Rothschild & Sons then acquired another 12 percent from interests in the Far East and gradually bought an added 9 percent back in London. All told, they acquired 7,995,500 shares, or 25.52 percent of Guthrie's common stock before breaking for lunch. With its previous holdings, Pemas found itself with 15,790,500 shares, or 50.41 percent of Guthrie.

Sime Darby's bid ended in December, 1980, when Sime and its allies announced they would sell their 27.6-percent stake in Guthrie. The buyer? Pemas.

The wait paid off for Guthrie shareholders. Their shares fetched 90 pence each Monday, up sharply from Friday's close of 66.2. Sime's final offer of March 1, 1979, was equivalent to around 538 pence a share.

Pemas spent £72 million Monday acquiring the shares. The bid sets a value of £282.25 million for Guthrie.

Pemas said the purchase and offer were essential "to protect its already substantial investment in Guthrie."

It said in its statement that Guthrie's principal activities have been in Southeast Asia and have focused on the operation of rubber, palm oil, cocoa and tea plantations in Malaysia. Guthrie's "predominance" in those areas formed the main basis for the stock purchase, Pemas said.

Board Concerned Recently, Guthrie disposed of its 73-percent interest in Guthrie Berhad, a trading company in Singapore and Malaysia, and proposed acquiring Page Airways of Rochester, N.Y. The Pemas board said it "views with disquiet the new course upon which the man-

agement of Guthrie would appear to be set." It said it had not been consulted on these actions. Pemas' disquiet may have been caused in part by the fact that the buyer of Guthrie Berhad was Multipurpose Holdings, the investment unit of Malaysia's main ethnic Chinese political party.

Pemas, on the other hand, is a government-sponsored body investing on behalf of the country's native races, predominantly Malays — and the government would probably prefer to see local ownership of the 200,000 acres of plantations Guthrie holds in Malaysia.

Nationalism was also believed to be a factor in Sime Darby's bid. Sime is more than 25-percent owned by the Malaysian government.

Ian Coates, Guthrie's managing director, said that the reasons given by Pemas were just an excuse for what is effectively nationalization.

For example, although Pemas mentioned cocoa and tea plantations, Guthrie has only 40 acres of cocoa and 400 acres of tea in Malaysia. Mr. Coates pointed out. He said the sale of Guthrie Berhad for 22 times earnings had reduced debt by \$25 million. He also stood by the move to buy Page Airways.

He expressed bitterness over Pemas' stock purchase. "That people should be able to achieve control of a business in the space of four hours without the majority of shareholders being advised is grotesque," Mr. Coates complained. "There is nothing to be said except a requiring mass."

W. German Firms Reportedly Threaten EEC Steel Accord

BRUSSELS — A major West German steel company has decided to postpone a price rise agreed last spring among Common Market steelmakers, raising the threat of a postponement throughout the EEC and posing the first threat to the accord, industry sources said Monday.

A spokesman for one leading German producer, Thyssen, said that all West German steel producers agreed to a month's postponement of the price rise. But other German steel industry sources' deemed that there was unity on the postponement.

Eurofer, the EEC steelmakers' association, agreed last April to try to raise prices in the community by between 15 and 20 percent in a bid to bring them into line with those in the United States and Japan.

It said the price increase was necessary in the face of plunging demand and steeply rising costs. The industry sources said that a West German company, which they declined to name, had in-

formed other EEC steel producers that it would wait at least until November before observing a price rise of about \$20 per ton scheduled for next month.

An EEC commission official confirmed that a West German company was wavering over scheduled price rises, and said its decision appeared to be dictated by pressure from clients.

Industry sources said certain German firms have a greater interest in delaying higher prices as they are nearer to their steelmaking capacity than their rivals.

West German diplomatic sources said the commission was in touch with government and industry officials in an attempt to prevent the postponement.

But spokesmen for the West German Economics Ministry and the National Iron and Steel Association were unable to comment. The industry sources said a first price increase agreed to by Eurofer members this summer was carried out, though clients initially balked at the higher prices.

Markets Closed

All financial markets were closed Monday in the United States and in Canada for Labor day.

ARGENTINE REPUBLIC EXTERNAL U.S. \$ BONDS THE WESTON GROUP makes a market in all series

Caisse Centrale de Coopération Economique 100,000,000 U.S. Dollars Annual Option Notes due 1993

U.S. Firm Finds Hot Market for Cold Magnets

By Barnaby J. Feder New York Times Service GUILDFORD, N.Y. — An intriguing thing happens when certain metals are cooled to extremely low temperatures. At about 415 degrees below zero, they become so close to what is called absolute zero because matter can get no colder — these metals lose all resistance to electricity.

When electricity can move without resistance, a dramatic improvement in the efficiency of energy transmission is possible. So is the creation of supermagnets.

These traits make so-called superconducting materials useful in high-energy physics experiments, such as those aimed at creating energy from nuclear fusion, and in the study of complex molecules. The handful of products filling this demand are not satisfied with their niche, however. They foresee an impressive commercial future for superconductivity.

Such feelings are very strong at the headquarters of Intermagnetics General, here in a forest-ringed industrial park west of Albany.

"The economics and reliability of superconducting magnets are at the point where their commercialization is right there in front of us," Paul S. Swartz, the company's president, said.

Day in the Sun The development that has convinced Mr. Swartz that superconductivity's economic day in the sun is finally at hand, 70 years after the phenomenon was discovered, is the growing interest of doctors in nuclear magnetic resonance, or NMR, which appears to offer them the safest and, in many cases, most efficient method yet for discovering what is going on inside a body without cutting it open.

NMR involves placing a patient's limb, head, or body inside a magnetic field. The protons of the nuclei in certain molecules line up with the field. A low-frequency radio signal is then introduced, disturbing the alignment.

When the signal ends, the protons return to the alignment created by the magnetic field, but the rate at which they do so is peculiar to each proton's chemical environment and is reflected in a radio signal each proton emits. Thus, the process allows doctors to create an image of not just tissue density, as is done with X-rays, but also of tissue chemistry.

When the machine doing this imaging is rotated around the body, the result is a cross-sectional or three-dimensional picture somewhat like that created by computed axial tomography, better known as CAT scanning. The picture is not as sharp, but it is achieved without bathing the patient in X-rays and contains some information not available in CAT scans.

"NMR could revolutionize diagnostic imaging by the late 1980s," said Richard B. Emmitt, an analyst at F. Eberstadt & Co. Experts see the nuclear magnetic resonance market eventually equaling and perhaps surpassing that for CAT scanners, which is thought to have been about \$450 million this year. Mr. Emmitt said that annual NMR system sales might be in the

500- to 1,000 unit range by 1990, by which time inflation will probably have doubled their price to about \$2 million each.

Supermagnets like those made by Intermagnetics seem to be the best way to create NMR magnetic fields.

According to Mr. Emmitt, Oxford Instruments of Great Britain is the clear leader in commercializing supermagnets for NMR, having delivered magnets for perhaps 10 systems to research hospitals. But last month, Intermagnetics became the first U.S. concern to announce contracts for such a system when it disclosed that the Columbia Presbyterian Medical Center in New York City had ordered two of them.

It will not take many sales to usher in a new era at Intermagnetics. In the nine months ending Feb. 28, Intermagnetics earned just \$43,000 on sales of \$4.6 million.

By the Canada Development Corp. are, through a joint venture, the largest shareholders in Intermagnetics.

In the decade since it was created by researchers from General Electric, Intermagnetics has survived largely by providing magnets used in government research on fusion. Now, the technology of superconductivity has reached the point where, according to John C. Fisher, the company's strategic planner, "The long-range future of fusion is not relevant to the company."

"The transition creates as many perils as opportunities. While Intermagnetics is redesigning the electronics to build complete NMR systems, most analysts believe that its future lies as a magnet supplier to larger companies who make CAT scanners and are expected to offer NMR."

"Until recently, we only had a few strategic options," Mr. Swartz said. "And the increasing complexity of the various possibilities is only becoming apparent as we go along."

Asked to sum up his worries, Mr. Swartz smiled and said, "Well, they say you can sometimes tell a pioneer by the arrow in his back."

A Correction The \$50-million Eurobond for Corn Products carries a maturity of five years rather than the seven reported in Monday's International Herald Tribune. The notes are callable after the fourth year at a premium of 101.

Table with columns for Currency, U.S. \$, and other financial data. Includes sub-table for 'Service to the Individual' with cash currency bank rates.

CURRENCY RATES Table with columns for Currency, Per U.S. \$, and other financial data. Includes sub-table for Dollar Values.

NOW IS THE TIME TO GO FOR GROWTH WITH US \$ BONDS

ACT NOW ON THIS FIRST PUBLIC OFFER FROM BELL INTERNATIONAL LIMITED BANKERS

Dollar bonds are used by large American companies to finance their operations. They have a guaranteed date of maturity and at this time are carrying very high interest rates.

On a typical bond reaching maturity in five years from now, the original yield could be as low as 9.75 per cent, at present rates this can be as high as 15.47 per cent.

The Bell International mixed portfolio will provide an attractive investment to high tax payers who can double their investment in five years and TREBLE it in eight and a half. On receipt of your deposit, Bell International issue a straight obligation in bond form for value on maturity.

To: Bell International Limited Bankers, Goldie House, Upper Church Street, Douglas, Isle of Man

Please invest (minimum US \$4,000 or the equivalent) in your Dollar Growth Bond Fund for 5 years/8 1/2 years. I enclose a cheque/Bankers draft to the full value.

(Cheques should be made payable to Bell International Bank.)

NAME _____

ADDRESS _____

Please tick if you require details of our Time Deposits and E-Growth Bonds.

Tokyo Exchange

Table with columns for various Japanese stocks and their prices.

European Gold Markets

Table showing gold market prices in London and other European locations.

Gold Options (prices in \$/oz.)

Table of gold options prices for various months and strikes.

Valeurs White Weld S.A.

1, Quai de Mont-Blanc, 1201 Geneva 1, Switzerland

European Options Exchange

Tel. 242721 AMSTERDAM Telex 14894

Gold Options

Table of gold options prices for various months and strikes.

Floating Rate Notes

Closing prices, Sept. 7, 1981

Banks

Table of bank floating rate notes with columns for bank name, bid, and asked prices.

Non Banks

Table of non-bank floating rate notes with columns for company name, bid, and asked prices.

Quotations in Canadian funds

All quotes cents unless marked \$

Table of Canadian fund quotations with columns for fund name and price.

Russia, Ahead of Plan, Sets Oil Output Record

MOSCOW — Soviet oil production over the first eight months of this year was 10.26 million barrels ahead of plan with total oil field production for the period of more than 2.858 billion barrels, Pravda said Monday.

Toronto Stocks

Closing Prices, September 4, 1981

Table of Toronto stock market closing prices for various companies.

Montreal Stocks

Closing Prices, September 4, 1981

Table of Montreal stock market closing prices for various companies.

High Low Close Chgs

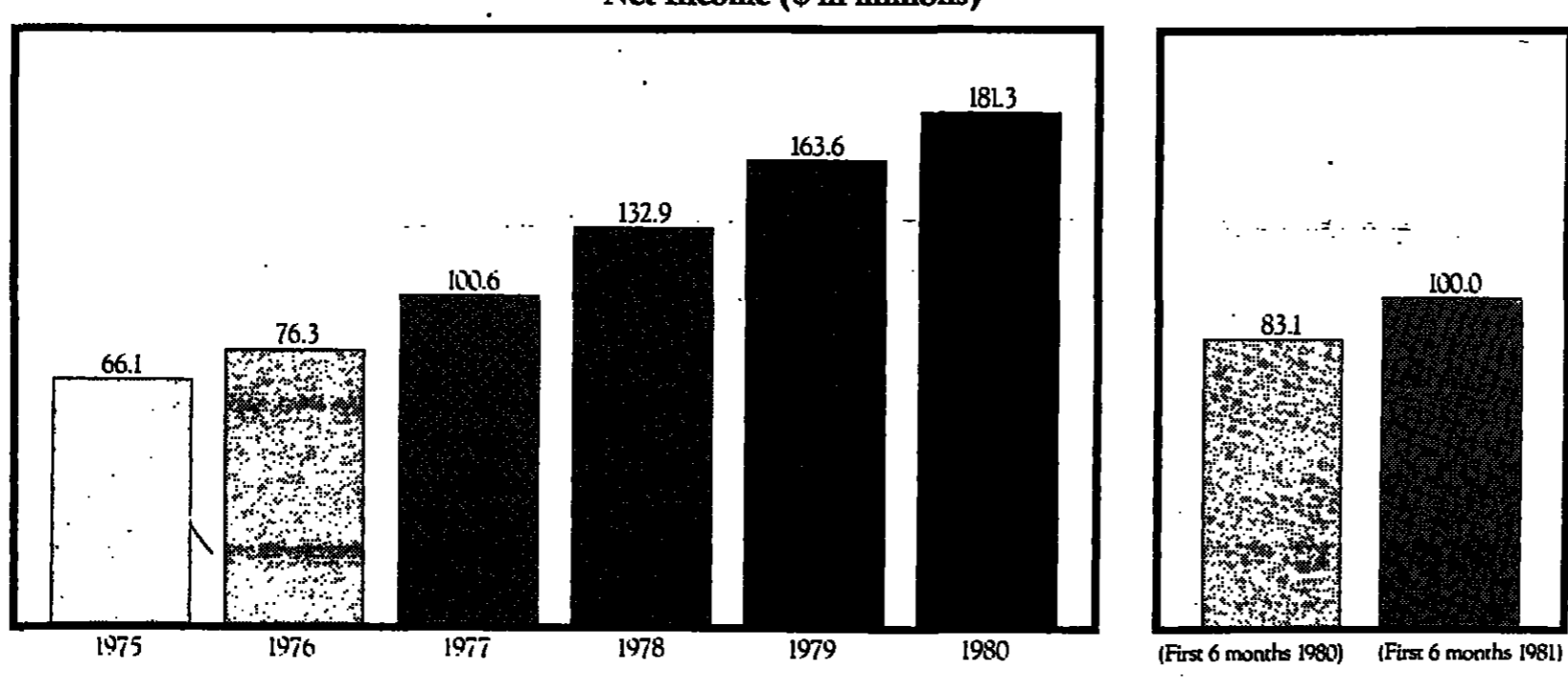
Table of high, low, close, and change prices for various stocks.

High Low Close Chgs

Table of high, low, close, and change prices for various stocks.

SECURITY PACIFIC CONTINUES TO GROW.

Net Income (\$ in millions)



Security Pacific Corporation Financial Highlights

As of June 30, 1981

Table comparing 1980 and 1981 financial highlights: Assets, Deposits, Loans, and Equity.

Security Pacific Corporation is proud of its record for strong and consistent growth. We're the holding company of Security Pacific Bank the tenth largest bank in the United States.

- 1980 annual report and 1981 quarterly reports.
• Current quarterly Economic Report.
• California International Trade Report.
• Information about Security Pacific commercial banking services.

Write to: General Manager, Security Pacific National Bank, at any of these addresses: 2 Arundel Street, London WC2R 3DF

Security Pacific Corporation common stock is listed on the New York Stock Exchange and The Stock Exchange in London.



SECURITY PACIFIC CORPORATION

Looking Forward Worldwide

Amsterdam

Table of Amsterdam stock market prices for various companies.

London

Table of London stock market prices for various companies.

Brussels

Table of Brussels stock market prices for various companies.

Frankfurt

Table of Frankfurt stock market prices for various companies.

Milan

Table of Milan stock market prices for various companies.

Paris

Table of Paris stock market prices for various companies.

Zurich

Table of Zurich stock market prices for various companies.

London Metals Market

Table of London metals market prices for copper, silver, and gold.

London Commodities

Table of London commodity prices for sugar, cocoa, and coffee.

INTERNATIONAL INCOME FUND

provides the following choice of investments: Short Term 'A' Units, Short Term 'B' Units, Long Term Units

Paris Commodities

Table of Paris commodity prices for sugar, cocoa, and coffee.

WALL STREET REPORT

16-seitige Wochenpublikation D-Mark 390 p.a. + Porto, MWST

W.W.B. GmbH, Postfach 112027, D-5 Frankfurt 3

Tokyo Stocks Continue Skid Despite Optimistic Outlook

By Keith Stafford

TOKYO — Japanese companies can expect higher profits in the second half of the current fiscal year, according to two reports just issued here, but the Tokyo Stock Exchange shows no sign of pulling out of its recent slide.

The market index Monday was 364.76 points lower than it was a month ago. The average fell 2.13 Monday to close at 7,604.17, which compares with the record 8,019.14 set Aug. 17.

Overseas investors recently have been selling more Japanese stocks than they have been buying. The exchange said Monday that foreign sales last month through 12 Japanese securities companies totaled 410.66 billion yen (\$1.79 billion), well above purchases worth 358.26 billion yen.

Many world stock markets are in the doldrums because of Wall Street's weakness, which has made investors think twice about putting money into stocks when higher yields are available from financial markets.

But at least the profit picture here looks bright. The financial daily Nihon Keizai Shimbun said Monday that Japanese company profits are expected to recover sharply from this month until the end of the current fiscal year in March, 1982, helped by a better performance in the petroleum industry and continuing high exports.

The newspaper report said the companies' profitability is likely to increase by an average 42.2 percent between September and the end of next March.

Late last week the Bank of Japan said Japanese companies expect domestic business conditions to continue recovering in the period and reported improving business profits from a low point in the middle of the first half of the fiscal year.

Golf Course, Tennis Courts, Health Spa, Marina, Elegant Club. Apartments from \$200,000 to \$2,000,000.



Turnberry Isle Yacht and Racquet Club

P.O. Box 630578, Miami, Florida 33163 U.S.A. (305) 935-0300.

This is not intended as a full statement. For complete details refer to the prospectus or related documents available to purchasers.

BEAT INFLATION GUARANTEED

We offer term deposit accounts which produce maximum interest while at the same time giving flexibility of choice and absolute security for your money. Keep what you have earned and beat inflation with the following interest rates. GUARANTEED.

DOLLAR (Can.)	19	%
PESETA (Spain)	19	%
DOLLAR (U.S.)	18.50	%
STERLING (£)	15.75	%
FRANC (French)	17.50	%
MARK (Deutsch)	12.75	%
FRANC (Swiss)	7	%

NET RETURN

- Minimum deposit equivalent \$500.
- Withdrawals in any amount can be effected on maturity of the agreed notice.
- Interest paid or credited half yearly.
- Amounts quoted are based on 1 year fixed term deposits.
- All interest paid is net and without deductions (taxes, etc.) of source.
- All transactions confidential.
- Deposits are unconditionally guaranteed.

NO TAX
 Swiss Banking Society
 Light House Development
 Europe Fund
 P.O. Box 343 - Gibraltar
 Tel.: 72546. Telex: 2297 STRABS GK

FIRST SECURITY CAPITAL AND INCOME FUND N.V.

(Established in Curaçao, Netherlands Antilles)

Notice of Annual General Meeting of Shareholders to be held on September 29, 1981.

Notice is hereby given that the Annual General Meeting of Shareholders of First Security Capital and Income Fund N.V. ("The Company"), will be held at the offices of the Company, 6 John B. Gouveneur, Curaçao, Netherlands Antilles on September 29, 1981 at 10:00 o'clock a.m. (local time) for the following purposes:

1. To receive a report from the management on the business of the company and conduct of its affairs during the fiscal year ended December 31, 1979 and December 31, 1980.
2. To approve the company's annual accounts for the fiscal year ended December 31, 1979 and December 31, 1980.
3. To approve the declaration and payment of the accrued cumulative preferential dividend as of August 1, 1981 on the participating cumulative preference shares outstanding at the time in the total amount of U.S.\$95.05 per share viz:
 - U.S.\$ 77.22 for the respective fiscal years ended December 31, 1979 and December 31, 1980;
 - U.S.\$ 5.83 for the period January 1, 1981 to 7 July 31, 1981.
4. To elect a managing director for the coming year.
5. To elect members of the board of supervisory directors.
6. To appoint independent auditors.
7. To verify, confirm and approve the acts of the managing director and the board of supervisory directors.
8. To transact any other business that may properly come before the meeting.

The official agenda of the meeting together with the annual accounts for the company's fiscal years ended December 31, 1979 and December 31, 1980 may be inspected by all shareholders at the offices of its paying agents, viz: First National City Bank (corporate trust office), New York, N.Y.; First National Bank, City Bank, Brussels; Banque de Paris et des Pays-Bas pour le Grand Duché de Luxembourg, Luxembourg.

Holders of registered shares will be entitled to vote at the meeting in person or by proxy. Holders of bearer shares will be entitled to vote at the meeting on presentation of their certificates or of a voucher given by any of the company's paying agents stating that certificates in respect of the number of shares specified in the voucher have been deposited with such paying agent and will remain on deposit until the end of the meeting.

The Managing Director,
 Caribbea Management Company,
 Curaçao, September 8, 1981.

2 French Banks Cut Rates

PARIS — Banque de l'Indochine et de Suez and Banque de Paris et des Pays Bas said they cut their base rates to 14.5 percent from 15.3 percent, effective Monday. This matches cuts announced Friday by the three state banks: Crédit Lyonnais, St. Générale and Banque Nationale de Paris, and by Crédit Commercial de France.

We are pleased to announce the opening of our Athens office.

Bache Halsey Stuart Shields (Greece) S.A.
 5 Koumbari Street, Second Floor
 Athens 138, Greece
 Tel.: 362-2151, 7377, or 8353 Telex: 221769

Bache

LA BANCA NAZIONALE DEL LAVORO

A LE PLAISIR DE COMMUNIQUER
 L'OUVERTURE
 DE SA NOUVELLE SUCCURSALE DE :

PARIS

QUI EST OPÉRATIONNELLE A

L'ADRESSE — 26, AVENUE DES CHAMPS-ÉLYSÉES — PARIS 75008

LE TÉLÉPHONE — (général) 359.22.10 — (changes et arbitrages) 359.11.01

LE TÉLEX — (général) 642860 — (changes et arbitrages) 642487/642417

LE DIRECTEUR DE LA SUCCURSALE EST M. FRANCO DE PLANO
 LE DIRECTEUR ADJOINT EST M. DOMENICO CASTELLI



LE BUREAU DE REPRÉSENTATION DE LA BANCA NAZIONALE DEL LAVORO CONTINUE SON ACTIVITÉ AU :
 23, RUE DE LA PAIX (TÉLÉPHONE 742.90.68 — TÉLEX 210629)
 SOUS LA DIRECTION DE M. ARRIGO PASQUALI

Manufacturers Hanover Geobanking

Meeting the banking challenges of the world through a global credit and operations network.

GEOBANKING.

It is money moving and working around the world for businesses, banks and governments.

It is the way of worldwide banking at Manufacturers Hanover, a major U.S. bank with over \$50 billion in assets and a tradition of service dating back more than a century.

THE GEOBANKERS.

They travel their territory extensively, gaining first-hand knowledge of their clients as well as of the local business, economic and political environment. And continuity and depth of experience are their hallmarks.

They are the Manufacturers Hanover

GEOBANKING MONEY TRANSFER SERVICES.

The way to move worldwide funds. Around the corner and around the world, the Geobankers move over \$31 billion worth of international remittances and payments daily to facilitate global business. By mail, cable and bank wire. And through both CHIPS and SWIFT.

GEOBANKING MERCHANT BANKING SERVICES.

The way to marshal worldwide resources. Through our merchant banking subsidiaries in London and Hong Kong, governments, their agencies and multinational companies have access to the world's

GEOBANKING DEPOSIT FACILITIES.

The way to use and invest cash worldwide. Nearly \$40 billion is currently entrusted to the Geobankers on a global basis. These deposits take the form of current accounts to concentrate funds for business payments. High-yielding certificates of deposit that offer excellent marketability. Time deposits for long-term investment. And a variety of other deposit accounts for earnings plus liquidity.

GEOBANKING FOREIGN EXCHANGE SERVICES.

The way to stay in command of world currencies. With a strategic view of the world from offices in key market centers, Geobankers provide accurate spot and future rate information, including in-depth monthly Currency Profiles compiled in conjunction with the London-based Henley Centre for Forecasting. And offer timely transactions in every convertible currency. And FOREM, an automated monitoring, projecting and strategy-simulating system for foreign exchange exposure management.

GEOBANKING CASH MANAGEMENT SERVICES.

The way to maximize use of worldwide assets.

The Geobankers offer a flexible phased approach that accommodates cash management needs, from a simple lock box to a complex multilateral clearing system.

Make Manufacturers Hanover your global credit and operating partner. Contact a Geobanker today.

"...Manufacturers Hanover is totally committed to being the global bank for business—a leading lender and a leading operating partner as well."

John F. McGillivuddy
 Chairman and Chief Executive Officer

largest source of funding—the Eurocurrency market. Since its inception in 1969, the London-based Manufacturers Hanover Limited has managed international securities issues totalling \$8.5 billion and has arranged a further \$53.3 billion of syndicated medium-term loans.

GEOBANKING EXPORT/IMPORT SERVICES.

The way to facilitate worldwide trade.

The Geobankers at Manufacturers Hanover expedite nearly \$350 million in international trade transactions every working day. With a variety of services including export/import letters of credit directed through its overseas network and through more than 4,700 U.S. and overseas correspondent banks linking over 130 countries around the globe.

MANUFACTURERS HANOVER

The banking source. Worldwide.

In Europe: Athens, Brussels, Bucharest, Düsseldorf, Edinburgh, Frankfurt, Guernsey, Hamburg, Hannover, Lisbon, London, Luxembourg, Madrid, Manchester, Milan, Munich, Oslo, Paris, Rome, Zurich. Worldwide: Argentina, Australia, Bahrain, Belgium, Brazil, Channel Islands, Chile, Colombia, Egypt, France, Germany, Greece, Hong Kong, India, Indonesia, Italy, Japan, Jordan, Kenya, Korea, Lebanon, Luxembourg, Malaysia, Mexico, Norway, Peru, Philippines, Portugal, Romania, Singapore, Spain, Switzerland, Taiwan, Thailand, United Kingdom, United States, Venezuela.
 Headquarters: 350 Park Avenue, New York, N.Y.

Member FDIC

Bing Crosby's Son Nathaniel Is U.S. Amateur Golf Titlist

The Associated Press SAN FRANCISCO — Nathaniel Crosby completed a sensational comeback by sinking a 15-foot birdie putt on the 37th hole of play to beat fellow Californian Brian Lindley, 24, in the finals of the 81st U.S. Amateur golf championship here Sunday.

Five-footer for a par 4 and Lindley missed par from about the same distance. Crosby drew even by winning the next hole, the toughest on the course, with a bogey 5, and both parred the final regulation hole.



Nathaniel Crosby, elated.

'Old Men' Morton, Stabler NFL Winners

ANAHEIM, Calif. — Two National Football League graybeard quarterbacks — neither of whom was supposed to be playing this season — proved Sunday they can still do the job.

winners by returning the kickoff 95 yards for a touchdown. Stabler's personal life lately has included problems with the law — the state of California had threatened to arrest him for allegedly ducking alimony payments and there have been reports of his having consorted with a known gambler and a convicted gunrunner — so he had plenty of reasons for a poor showing.

the Green Bay 3, the Bear offense finally got into gear. Suhley, replacing the injured Roland Harper, got the call from quarterback Vince Evans and appeared to have reached the end zone before being hit and fumbling, but the officials ruled he had not crossed the plane of the end zone.

and who fumbled the ball away as his first snap. But the second-year pro settled down and directed drives that produced three touchdowns and two field goals. Johnson's 84 yards in 20 carries put him just 29 yards short of Essex Johnson's all-time Cincinnati career rushing record of 3,070.



Billy Sims hurtled past the 49ers' Ronnie Lott (24) with 18 seconds left to play Sunday to make Detroit a 42-17 NFL victor.

7th Valenzuela Shutout Ties National League Rookie Mark

LOS ANGELES — Fernando Valenzuela tied a National League record for rookies by pitching his seventh shutout Sunday and adding a three-run triple Sunday to lead the Dodgers to a 5-0 victory over St. Louis.

pitch and Derrel Thomas singled to load the bases. Bob Shirley replaced Forsch and Valenzuela tripled to right for a 4-0 lead.

At one point, Stabler hit eight in a row to rally the Oilers from a 17-6 deficit. He marched Houston 72 yards for a score on the opening series of the second half, throwing a 33-yard TD pass to Rob Carpenter to cut a Ram lead to 17-13.

had a 3-2 lead when Danny Darwin gave up a leadoff triple to Kirk Gibson in the eighth; reliever Mark Mercer (0-1) struck out the next two hitters before Parrish delivered his ninth homer of the season.

worked a little but he double-faulted on the next point and Gomez followed with a winner to make it 5-4.

Connors Weathers U.S. Open Scare

By John Feinsein Washington Post Service NEW YORK — As a three-time champion of the U.S. Open, Jimmy Connors has been involved in many classic tennis. None, however, were likely any more dramatic than the victory he produced Sunday.

After Gomez broke Connors in the final set's third game, Connors' fighting instincts took over. Fuming, he fought back with his first-shaking, head-tossing routine, he scrambled back. He got even at 3-1, twice coming in behind deep approach shots and watching Gomez hit his passing shots long.

worked a little but he double-faulted on the next point and Gomez followed with a winner to make it 5-4.

worked a little but he double-faulted on the next point and Gomez followed with a winner to make it 5-4.

worked a little but he double-faulted on the next point and Gomez followed with a winner to make it 5-4.



After the third set my legs began to cramp and I was very tired," Gomez said. "I thought I was in trouble but then in the fourth it was up, 3-1, in the fourth I just said, 'OK, let's go gain.'"

After the third set my legs began to cramp and I was very tired," Gomez said. "I thought I was in trouble but then in the fourth it was up, 3-1, in the fourth I just said, 'OK, let's go gain.'"

After the third set my legs began to cramp and I was very tired," Gomez said. "I thought I was in trouble but then in the fourth it was up, 3-1, in the fourth I just said, 'OK, let's go gain.'"

CLASSIFIED ADVERTISEMENTS (Continued from Back Page)

EMPLOYMENT DOMESTIC POSITIONS AVAILABLE WANTED FOR PAID, casual, temporary...

AMERICAN GIBBS... SUBSTANTIAL SAVINGS AVAILABLE NOW ON NEW EUROPEAN & AMERICAN CARS

AUTOS TAX FREE TRANSCO TAX FREE CARS LARGEST STOCK IN EUROPE

LEGAL SERVICES US IMMIGRATION & VISA... LAWYER, FAIR PRICES, Immigration, investment, etc.

LOW COST FLIGHTS GERMAN LADY, 26, Interpreter to accompany business associates.

LAKER Learning London NEW YORK 5 1240 MIAMI 5 1250 LOS ANGELES 5 1770 PARIS - London via F.120

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

WANTED TO BUY LATE MODEL used or new Mercedes. Tel: 0275-7680, 711 p.m.

Sunday's Line Scores NATIONAL LEAGUE Atlanta 310 000 010-5 12-2 New York 100 010 000-3 7-0

Major League Standings AMERICAN LEAGUE East W L Pct. GB Detroit 17 11 367 19 Baltimore 15 11 327 26

Transactions BASEBALL National League MONTREAL - Placed Tommy Hutton, infielder, on waivers.

EDUCATION AMERICAN CONVERSATION English teacher 12 week experience. CASY METHOD PARIS 326 15 47. VIENNA, INTENSIVE GERMAN Courses (German Institute) starting Oct. 1981.

Art Buchwald

Treeless in Washington

WASHINGTON — Secretary of Interior Watt's press person was briefing him for a news conference. "So what do you think they'll ask me?" Watt wanted to know. "Here is one question you may get. If a tree falls in the forest and nobody hears it, did it really make a sound?"



Buchwald

Esperanto Tincjo Joins Roster of Tales of Tintin

ANTWERP, Belgium — One of the stories of Tintin — the intrepid, moon-faced reporter and comic strip hero — has been published in Esperanto. This brings to more than 26 the number of languages in which one of all the 23 adventures of Tintin, his dog Snowy, his friend Captain Haddock and his cat.

retary of the interior is to see we don't have too many trees cluttering up our forests. It discourages private investors from exploring our natural resources. I don't have anything against trees personally, but I don't like to see them romanticized and used by the environmentalists as a lobbying weapon against private industry.

"Why don't we turn the question to our advantage?" the secretary said. "We could point out if the land was leased to a paper company, there would be somebody there to hear if the tree fell or not — and he wouldn't even be on our payroll."

Mary Blume

An American Back in Paris

Gene Kelly Choreographs a Few Musical Recollections

PARIS — In 1950 Gene Kelly started in a film that glorified French *verve, joie de vivre, amiability and tendresse*. The film was of course shot entirely in Hollywood except for some second unit work. It made Kelly France's favorite American since Ben Franklin.



Director Kelly: The dance is over.

He doesn't dance these days — "I wouldn't do a step for anything in the world" — and keeps fit on the tennis court. He is working on "Saturday Night" Broadway musical starring Ben Vereen that he will direct this season. It is his first Broadway show since "Flower Drum Song."

no while Mary Martin sang "My Heart Belongs to Daddy." "It was her first show too," he says, "but overnight she was a star. I was still a specialty dancer."

PEOPLE: Rare 2-Womb Pregnancy Ends in Birth of Boys

A woman with two wombs has given birth to two healthy baby boys at a London hospital. Officials at Guy's Hospital, in the Southwark district of London, said 22-year-old Theresa Ebers gave birth to Nicki, 6 pounds, and Simon, 5 pounds 8 ounces. A hospital spokeswoman said, "she is in fine condition, and so are the babies. It is very rare indeed for a woman to have two wombs and rarer still to have two pregnancies each one."

Charles Jones, one of the Americans held hostage in Iran for 444 days, said his wife for divorce five months after returning home. The Detroit Free Press said Mattie Jones told the newspaper that the divorce, filed in late June, cited "irreconcilable differences." She said it was the culmination of many years of marital stress and had nothing to do with Jones' captivity in Iran.

AMERICA CALLING MOVING DEPENDABLE MOVES INTERDEAN The International Mover

CLASSIFIED ADVERTISEMENTS REAL ESTATE FOR SALE SPAIN AMQUIRA BRAVA-COSTA BRAVA

REAL ESTATE TO RENT/SHARE GREAT BRITAIN LONDON For the best furnished flat and house. Consult the Specialists

EMPLOYMENT GENERAL POSITIONS AVAILABLE FINANCIAL HOUSE RECRUITS

EMPLOYMENT EXECUTIVE POSITIONS AVAILABLE AN American Consulting Engineering Company

Your Detective DIVORCE IN 24 HOURS L'UNIVERSELLE GREECE ISLAND OF HYDRA - GREECE

International Business Message Center ATTENTION BUSINESSMEN: Publish your Business Message in the International Herald Tribune

DIAMONDS DIAMONDS DIAMONDS Your Office in Paris

INTERNATIONAL TEACHING POSITIONS SECRETARIAL POSITIONS AVAILABLE WORD PROCESSING SECRETARY

INTERNATIONAL TEACHING POSITIONS SECRETARIAL POSITIONS AVAILABLE RANDSTAD Bilingual Personal Temp/Work seeks

Baccarat 30 bis, Rue de Paradis, PARIS-10

INVEST IN DIAMONDS A Trustworthy Investment With a Guaranteed Increase in Value

YOUR FURNISHED OFFICE IN PARIS NEAR CHAMPS ELYSEES

top executive secretary AMERICAN HOSPITAL SUPPLY CORPORATION

EXECUTIVE BILINGUAL SECRETARY 92 COURBEVOIE, FRANCE